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CONTENTS

BULGARIA

- Positive Role of Private Plots Outlined
(Plenimir Nanev; KOOOPERATIVNO SELO, 27 Jan 83)..... 1
- Conference Discusses Problems of Quality Seed Production
(KOOOPERATIVNO SELO, 27 Jan 83)..... 3

CZECHOSLOVAKIA

- Fuel-Energy Balances to Year 1990 Forecast
(Miroslav Fiser; REVUE OBCHODU/PRUMYSLU/HOSPODARSTVI,
No 12, 1982)..... 16
- Trade Union Initiative Helping Economy
(Vladimir Marik; RUDE PRAVO, 24 Jan 83)..... 21
- Nykryn Urges Expansion of Industrial Leasing
(Jaroslav Nykryn; REVUE OBCHODU/PRUMYSLU/HOSPODARSTVI,
No 12, 1982)..... 29
- Sugar Beet Growing Methods Examined
(Jana Kastankova, et al.; EKONOMIKA POLNOHOSPODARSTVA,
No 1, 1983)..... 34

HUNGARY

- Structural Changes in Pharmaceutical Industry Reported
(FIGYELO, 3 Feb 83)..... 39

POLAND

- Minister, Other Officials Discuss Agriculture, Food
(Various sources, various dates)..... 43
- Press Spokesman--1983 Plans, by Hynryk Piekut
Interview With Minister, Jersy Wojtecki Interview

Interview With Vice Minister, Andrzej Kacala
 Interview
 Food Industry Problems, Stanislaw Szczepanski
 Interview
 Meat, Egg Supply, Hab Henryk Burczyk Interview

High Price Increases, Living Standard Assessed
 (POLITYKA, 29 Jan 83, ZYCIE GOSPODARCZE,
 30 Jan 83)..... 61

Reduced Purchasing Power, by Zygmunt Szeliga
 Opinion Poll on Prices
 Wages Outstripping Supply
 Doubling of Prices
 Blackmarket Prices

Continuing Housing Crisis Assessed
 (Teresa Gornicka; ZYCIE GOSPODARCZE, 23 Jan 83)..... 73

YUGOSLAVIA

Real Personal Incomes Continue To Drop in Slovenia
 (Ilja Popit; DELO, 18 Feb 83)..... 78

BULGARIA

POSITIVE ROLE OF PRIVATE PLOTS OUTLINED

Sofia KOOPERATIVNO SELO in Bulgarian 27 Jan 83 pp 1, 3

[Report by Plenimir Nanev: "A Richer and More Varied People's Table; Joint Session of the National Council of the Fatherland Front and the Central Council of the NAPS [National Agroindustrial Union]]

[Text] Two years have passed since the management of the population self-supply system management was assumed by the National Agroindustrial Union. Within that time the agricultural commodities produced by and purchased from private plots increased. Thousands of additional tons of fruits and vegetables were purchased. Annual per capita consumption rose by 3 kilograms for meat, 16 kilograms for milk and 12 kilograms for vegetables and fruits.

The problems and prospects related to the development of the private plots were considered during yesterday's joint session of the Fatherland Front National Council Bureau and the NAPS Central Council Executive Committee. The meeting was chaired by Pencho Kubadinski, BCP Central Committee Politburo member and Fatherland Front National Council chairman.

Reports on current activities were submitted by Nikifor Stoichkov, Fatherland Front National Council secretary and Ivan Tonev, NAPS Central Council deputy chairman. They considered the results of the development of the self-supply system in 1982 and assessed the joint work of the Fatherland Front and the NAPS.

It was emphasized that the positive trends will become even stronger this year. This will involve the most efficient use of neglected lands, improvements in produce purchasing and grading and use of new forms of integration between public and private farms, such as the piece-rate system and the civil contracts, and veterinary and agrochemical services.

Aleksandur Petkov, NAPS Central Council chairman, emphasized in his statement that thanks to the party's initiative of organizing the self-supply system, all available manpower resources became involved not only in villages but, partially, in towns as well. Currently, with the help of the Fatherland Front organizations, the private and auxiliary plots should be organized in such a way that the okrugs become self-supplied with basic food products of increased variety.

The concluding statement was made by Comrade Pencho Kubadinski. He made some recommendations which should be included in decisions regarding future activities of the Fatherland Front National Council and NAPS Central Council in managing the self-supply system. Particular attention was paid to improving hygiene and veterinary conditions in private plots, securing them with high-quality seeds and raising the cattle with their own feeds. Comrade Pencho Kubadinski emphasized that future efforts must be directed toward the development of sheep and cattle breeding, securing adequate seeds and planting materials, procuring minor tools and applying in private plots the achievements of agricultural science.

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CONFERENCE DISCUSSES PROBLEMS OF QUALITY SEED PRODUCTION

Sofia KOOPERATIVNO SELO in Bulgarian 27 Jan 83 pp 1-2

[Meeting-discussion with economic managers, scientific workers and specialists in seed production status and problems: "High Quality Seeds Are an Important Factor in Production Intensification"]

[Text] As a result of the increasing use of higher yielding strains and hybrids and of the larger amount of improved machines, fertilizers and preparations, the average yields of many crops increased considerably.

The strain, as one of the most dynamic factors in agricultural production intensification, largely determines the level, quality and cost of output. However, one of the complex factors which ensure high yields is the production of adequate seeds possessing high biological and sowing qualities.

The topic of the recently organized meeting-discussion, sponsored by the editors of KOOPERATIVNO SELO and the "Quality Seeds and Planting Materials" NPO [Scientific-Production Trust], attended by economic managers, scientific workers and specialists, was the topic of the current condition and immediate tasks and problems in seed production.

The following participated in the discussion moderated by Angel Nikolov, KOOPERATIVNO SELO editor in chief: Marin Petsanski, general director of the "Quality Seeds and Planting Materials" NPO; Stefan Sherbanov, head of The Main Seed Testing and Control Inspectorate; Dr Nikola Tomov, director of the Corn Institute in Knezha; Georgi Angelov, chairman of the APK [Agroindustrial Complex] in Slivo Pole Village, Ruse Okrug; Dr Petko Petkov, director of the strain testing experimental station in Burgas; Vasil Stoykov, director of the state seed production farm in Sofronievo Village, Vratsa Okrug; Dimo Kolev, director of the "Quality Seeds and Planting Materials" economic enterprise in Stara Zagora; Senior Scientific Associate Kosta Gotsov, section head at the Dobrudzha Wheat and Sunflower Institute near General Toshevo; Senior Scientific Associate Dimitur Dimitrov, section head at the Obraztsov Chiflik Seed Studies and Seed Production Institute near Ruse; and Engineer Duka Atanasov, head of the Mechanization Directorate, "Quality Seeds and Planting Materials" NPO.

Crossing Points of the Problems

Seed production, which is the link between selection and practice, is a complex activity which begins with the production of super elite and elite seeds in the

selection institutes and strain support stations, and crosses the long road of research and production of high quality seeds, in order to be able to meet the dynamic processes of strain changes and renovation as an exceptionally important prerequisite for upgrading crop yields. A number of factors intertwine in this complex activity requiring expert management at each seed production stage.

The Organization

M. Petsanski: Our trust has organized on a scientific basis the production of quality seeds and planting materials. The trust includes the "Obraztsov Chiflik" Seed Studies and Seed Production Institute near Ruse, the Corn Institute in Knezha and the Introduction and Vegetal Resources Institute in Sadovo.

We carry out our seed production activities in specialized farms within the system of the trust and the APK.

We can clearly say that the existing structure of the trust offers good opportunities for highly intensive seed production.

Strain testing is a very important activity of the trust. Our structure includes the State Strains Commission.

N. Tomov: I would like to point out that the "Quality Seeds and Planting Materials" NPO has developed as an organization doing extensive work in seed production. I am familiar with the organization of the work in other countries and, without engaging in detailed comparisons, let me say that our trust has organized very well its seed production activities as an extension of selection work.

K. Gotsov: Despite closely related activities with the trust, so far no regulations, statutes or anything similar have been adopted to govern our joint work such as the dissemination of new and promising strains the seed production of which has not been undertaken. Obviously, something must be done in this area. This would be of common interest.

N. Tomov: We speak of the organizational structure as a prerequisite for the development of a highly efficient organization in seed production. Here we should be discussing the development of a dynamic seed production system which would ensure the accelerated multiplication and rapid practical utilization of strains and hybrids.

KOOPERATIVNO SELO: Comrade Tomov's statement leads to one of the main problems in seed production--accelerated multiplication in order to achieve a rapid replacement of lesser productive with new higher productive strains. This is obviously a question of dynamic systems. Why has this question arisen? Are there organizational or other reasons or "tight spots" in the current work preventing seed production from meeting one of its main purposes?

Accelerated Multiplication

A. Tomov: Seed production is the continuation of the selection process, which determines its exceptional importance. The question of the accelerated multiplication and fast replacement of strains cannot be resolved only through the good wishes of the trust. I believe that in recent years it has made considerable progress in resolving this problem. The seed production system for corn was improved. Equalized lines, developed to a homozygotic condition, are no longer tested over 1 or 2 years by generation. This is done only at the initial selection stage with newly developed materials. Therefore, the system we have adopted enables us rapidly to procure the material and to accelerate multiplication. We are multiplying 90 percent of the self-pollinated corn strains in the country on the land of the NPK in Knezha.

V. Stoykov: We can say that virtually all seeds are available in the warehouses of the trust. We have adequate amounts of clover, corn, onions, vegetables, saplings, and grapevine cuttings, not to speak of wheat and barley. In my view, the "Quality Seeds and Planting Materials" NPO has the foundations for the fast multiplication of seeds from various crops. However, the existing system for maintaining wheat and barley strains is delaying their fast application. For this reason, frequently new strains are sneaked into use through the overmultiplication of the seeds developed by the selection worker. That is the reason for which one can frequently see uneven crops in the fields. A more dynamic strain support is necessary which, in my view, should be supervised by the institutes.

St. Sherbanov: From the viewpoint of agricultural intensification, the problem of the fast multiplication of new strains is exceptionally important. If they are high yielding and promising they must find a quick application. Let me point out, however, that in no case should this take place hastily. Occasionally underdeveloped strains are used as a result of which, instead of accelerating multiplication, it throws it way back, for this requires another selection, the development of generations, and so on.

V. Gotssov: The institute's collective is quite familiar with the fact that some weaknesses are allowed to occur in wheat seed production. We find uneven crops in the fields. The culprit in this case is not "Quality Seeds and Planting Materials" NPO only. We, the selectioners and the farmers in the APK engaged in seed production are to be blamed as well. As a rule, the primary seed production units ensure high grade and pure strain seeds. The trouble is that they reach the production process with great delay. Here are examples: the Husalka strain was zoned in 1968 but the first elite quality seeds were obtained in 1973; the first elite Levent and Ludogorka seeds were grown when they were no longer useable.

The only ecological testing method we have is the one based on the system fed by the State Strains Commission. There were other test in the past, which were eliminated in order to save time, for if a developed strain has to go through the Institute, then undergo ecological tests, followed by testing through experimental stations, at least 5 year go by, a time during which the seed becomes totally obsolete.

D. Dimitrov: Occasionally, a practical situation develops in such a way that by the time the strain is no longer developed for production purposes super elite and elite seeds developed according to regular procedures become available. The seed production systems are rather complex: we begin with the selection of single plants, their offspring are tested over 1 or 2 years, followed by further multiplication.

The strain support section in our institute is testing systems and methods for accelerated multiplication. Practical experience has indicated that in the case of strains with stable hereditary qualities the work could be simplified. This would enable us confidently to eliminate a number of preliminary steps. Since most strains are of hybrid origin, it frequently happens that practical strain support could be the extension of selection. Instead of multiplying the seeds at an accelerated pace we are continuing with the selection and it is frequently such a selection which proves to be ineffective, for the breakdown goes on.

KOOPERATIVNO SELO: It is clear that unquestionable successes have been achieved on the long way covered by the seeds from selection to the field. However, the ideas expressed here show that major problems arise as well. It may be necessary to consider now more seriously weaknesses in the organization of accelerated multiplication.

K. Gotsov: Our practical experience indicates that in order rapidly to apply the new high-yielding strains we must begin their accelerated multiplication in the earliest stages, when they become included in regular strain testing. That is what our institute does. Following their delivery to the State Strains Commission, their multiplication is no longer done by the institute but is transferred to the APK. Therefore, once the seeds have been accepted and zoned, a sufficient number of seeds for multiplication becomes available. However, this method suffers from some major shortcomings as well. To begin with, it conflicts with some regulations which ban the dissemination of unrecognized and unzoned strains. Furthermore, a high percentage of the seeds are lost or mixed with others, for such activities take place in a number of areas and are frequently done by inexperienced specialists working under adverse conditions. No control is exercised over protecting the purity of the strain. The Unarodeyka strain, which became strongly polluted in the very first years of its multiplication, offers a sad example in this respect.

It seems to me that if the "Quality Seeds and Planting Materials" NPO would make better use of the possibilities of the strain-testing experimental stations and seed-producing farms we would be able jointly to apply the new promising wheat strains very rapidly.

P. Petkov: In our station we try to speed up the utilization of the most promising strains. In the very first year during which the strains are tested we retain only the seeds of those which are sharply above the standard. If a given strain confirms its higher biological possibilities during the second year as well we submit it for preliminary zoning in the okrug. The seeds are delivered to the multiplication bases set up by the complexes. Unfortunately, this useful application activity is not entirely regulated.

Dr. Sherbanov: A system approved by the Party Central Council exists in the application of the new more highly productive strains and hybrids. At what point do we go wrong? To begin with, in the production of seeds of many strains. Naturally, I oppose a return to the single strain system. However, testing experience in wheat production, for example, indicates that an extensive development of multiple strains is equally unwise. In 1961 the strain structure included 13 wheat strains in Loversk Oblast, 6 in Kazgrad and 4 in Tolkuchin. We are familiar with the results. In order to achieve a fast and effective strain change, as an important factor in production intensification, we must have a greater selection of high-yielding strains. However, this structure must be tested and consolidated. We should not seek ways to circumvent legal requirements.

V. Timov: It is true that we test a large number of strains and hybrids before using them. However, no other way is possible. Most of them are rejected but practical experience demands an adequate reserve of super elite and elite seeds. Such is the method followed in many agriculturally developed countries, and this is what we too should do. It is true that this involves risks assumed in the "Quality Seeds and Planting Materials" NPO, but I think that the trust should have at its disposal the necessary funds to this effect.

COOPERATION SEED: Obviously, Comrade Sherbanov referred to strain quality, that is, the production of genuine seeds. A sad situation develops when we see inferior crops in the testing sectors next to seed-growing areas.

Belkov: In order to avoid such a picture, I believe that we should submit exclusively strains the selection process of which has been completed and which have been entirely equalized both morphologically and biologically. If the selection process has not been completed at the Institute the work done by the excellent testing and seed support units becomes incredibly difficult.

Y. Varnavsky: The reasons for such deviations are different. In addition to unfinished strains this is due to weaknesses in strain support, crop growing technologies, and others. Major weaknesses are allowed in the production of super elite and elite seeds. However, if errors are made at the initial stages of seed production errors occur in the raising of marketable crops.

I. Stoykov: As a seed producer I ask myself the following question: Is our seed production comparable with the requirements of a dynamic and comprehensive agricultural intensification? On the basis of more than 20 years of experience as a seed producer, allow me to say that in recent years we have been resolving problems related to the government's seed production policy successfully.

COOPERATION SEED: Comrade Stoykov's optimism is justified. However, it raises the exceptionally important question of whether our seed production matches up with the strains and hybrids we need.

SELECTION OF STRAIN STRUCTURES

Y. Varnavsky: Let us definitely say that the trust needs the need for strains of wheat and most other crops. However, the following question arises immediately: what is the standard? For some crops, wheat for instance, it is high.

Our strains match the best world standards. Many okruks have been already issued the task of averaging 600 kilograms of grain per decare. The institute in Vnezha has gathered speed, as they say, in the corn hybrids as well, developed by its collective. It is filling the vacuum which existed in the national structure. We already have four-five hybrids in the medium-late group. Let us point out that they are higher yielding than the BS66-25 standard.

Let me point out, however, that from the viewpoint of the strain and structures we have fallen behind in some respects. We are severely lagging in developing grass seeds, leguminous in particular. We have adequate seeds for bur-reed, fescue and ryegrass, but not for trefoil and sainfoin. Yet we need them if the land is to be used to its full extent. Basically, importing seeds for such crops is no solution, for the problem can be resolved by our selection and seed production workers. This work was undertaken years ago but was underestimated. Time has been wasted and we must not remain idle. We had also fallen behind in the use of sunflower hybrids. Now, however, the collectives at the Shiroksha Institute has been able to surmount its inertia and the trust has a substantial volume of seeds.

The selection of a larger number of winter strains of peas and oats is a problem. The Seed Studies and Production Institute has already developed a strain of winter oats and we have imported seeds of winter pea strains the seed production of which will be organized.

V. Stoykov: Let us add to this that our selection in seed production systems must develop the national strain structures in order to supply them with suitable strains and seeds of some vegetable crops raised industrially. The problem of peas and beans is particularly grave. The currently used strains cannot be machine-raised and harvested, which entails substantial losses.

We know that new strains, superior to the current ones, are needed. This is a matter not only of their creation but their fast multiplication as well, in order to meet such requirements on time. This is particularly important today in order to implement the party's order of agricultural intensification on the basis of the highest scientific achievements.

The Material and Technical Base Must Be Consistent With Requirements

The further improvement and updating of the material and technical base plays a determining role in agricultural intensification. This applies to an even greater extent to seed production, for it is one of the main factors in production intensification, as a result of which it cannot be a product of extensive production. The growing of high quality seeds requires timely and precise sowing, strict technological discipline in crop cultivation and harvesting the seeds, their reliable preservation and preparation for sowing, and others. Do the trust and the seed production farms have the necessary machines, equipment and warehousing facilities for this purpose?

Z. Yekov: The strain-testing experimental stations in the country were built 25 to 30 years ago and are no longer entirely consistent with the new problems

to be resolved. Many of the stations have no land of their own. We are still forced to harvest most of the crops manually. The lack of equipment prevents us from fully applying the stipulated technology in competitive strain experiments.

V. Stoykov: We, too, lack specialized equipment mainly for the harvesting of vegetable and some industrial crops. We use general purpose equipment which, however, fails to meet seed production requirements. We are also short of warehousing facilities. It is not a question of some complex installations but of most ordinary sheds. We are storing hundreds and thousands of tons of seeds under polyethylene covers. We are frequently forced to dry seeds of several different types under the same shed, where they begin to mix, as a result of which we have to sort them out.

N. Tomov: We have a special warehouse but have been waiting for its air conditioning installation for the past 12 years, for which reason we are not making full use of its capacity. With air conditioning we would be able to produce seeds for 5 years in advance and observe the rules of spatial isolation in developing initial strains.

D. Dimitrov: It is very important to establish which machines harm the seeds the least in the course of harvesting. This can be accomplished by comparing the most advanced combines with the current ones.

The institute created a development and application base. One of its tasks is to develop and produce machines and equipment for seed production. It is true that it could manufacture other appliances as well but in no case should we believe that it could resolve mechanization problems.

D. Atanasov: If we compare the power-labor ratio in seed production and commodity output per 1,000 decares of arable land we will see that it is low. The number of combines is insufficient--there is one combine per almost 2,000 decares in crops. Adding to this the fact that at harvest time we must harvest the peas as well the difficulties we face become even more obvious. The quantitative and qualitative changes which have taken place in the national machine-tractor fleet create and will continue to create opportunities for the more prompt and better quality implementation of agricultural assignments. However, if we were to pay greater attention to the trust's equipment we would see that nearly 30 percent of the tractors are physically and morally obsolete. We are short of equipment for harvesting and packaging seeds for other crops. So far most of the specific problems related to mechanization in seed production and the preparation of the seeds for sowing have remained outside the scope of scientific services provided by specialized institutes. For the first time the draft plan for a machine system includes such problems. We hope that their solution by the specialized institutes will help us to resolve seed production mechanization problems.

G. Angelov: To us the problem of warehousing is rather alarming. We are producing substantial amounts of corn seeds which, however, must be stored under unsuitable conditions until the end of January. By then their quality has declined. I believe that such corn should either be purchased immediately after the harvest or consider the building of a warehouse.

M. Petsanski: I understand Comrade Angelov's concern. We could jointly undertake some mutually profitable projects. The economic mechanism has untied our hands in terms of undertaking joint construction. Currently, however, we are facing objective financing difficulties.

We are concerned with developing national strain structures and exports consisting exclusively of high-quality strains and hybrids. We are accomplishing this at the cost of a great deal of effort. An available material and technical base is the first prerequisite for success. The development of this base has been under way for the past 25 years. A great deal has been accomplished but a great deal more remains to be desired. We lack the necessary conditions for potato seed production. Next year we shall undertake the building of 13 sorting centers. We are also planning to improve and expand warehousing facilities.

The solution of such problems requires funds. We could borrow them from the bank but projects are being rated in terms of their importance. As to plans and projects aimed at improving the material and technical base, they do exist and are very good. They have been approved by most prestigious commissions. It is obvious, however, that their implementation will depend on our possibilities.

The participants in the meeting discussed many other difficulties they face in developing the type of material and technical base which will ensure the rapid application of the latest achievements of domestic and foreign selection. Their complete enumeration is neither necessary nor possible. However, even what was said is sufficient to draw the conclusion that a great deal remains to be desired in terms of improving the material and technical base.

The development of a material and technical base for seed production involves expenditures which, however, will be justified, for concern for seeds will be rewarded with high field results.

Scientific Management and Cadres

Whatever aspect we may consider, we would see that the trust's overall activities are related to application. Its organizational structure obeys this requirement as well. It consists of three scientific research institutes and a large number of experimental stations and seed production farms.

It is within this system that all activities take place, ranging from the development and testing of the strains to their practical utilization. Governmental strain testing of domestic and foreign strains is the basic scientific and applied task of the trust. Such activities take place in 42 experimental stations in which the agrobiological and economic qualities of strains and hybrids are observed on the basis of a single method and scientific field experimental system, after which they are submitted for approval and zoning. Another scientific-practical activity is the production of super elite and elite seeds and planting materials.

The successes achieved by our agriculture, particularly in grain production, confirm the contribution made by the trust in the application of scientific achievements in mass practice. On the basis of some of the thoughts shared in the course of the discussion we will gather the following:

4. Petranski: Every year the association produces and supplies agriculture and exports tens of thousands of tons of high-grade seeds of grain, industrial and feed crops and millions of grafted grapevines and orchard trees. First grade wheat, barley, corn, sunflower and pepper seeds account for 98 percent and peas and tomatoes for 93 percent of the total.

5. Dimov: From the viewpoint of intensification I would like to emphasize that it begins with selection. It is based on indicators related to increasing yields. In the case of corn this includes the length of the cob, the number of cobs per plant, and so on. We are extensively converting to a sterile base in hybrid production. We are applying an intensive seed production technology.

OPERATIVNO SELO: Are you providing scientific assistance?

6. Dimov: The technologies I have in mind are applied in the entire trust system. Means for raising parent structures are put at the disposal of APK and other seed producers.

OPERATIVNO SELO: In what way is the institute directly supervising application and does it have a scientific associate per APK?

7. Dimov: The institute has an engineering-application unit. Its personnel directly follow the entire process. They assist only if necessary on problems upon which the specialists themselves are unable to resolve. The agronomists are well trained and there is no need for the scientific personnel to duplicate their work. Their job is to develop strains and technologies.

8. Dimitrov: In our institute as well we have set up a unit in charge of supervising application. We have a unit member in each APK in which scientific developments are applied. This type of work organization is still being tested and expanded.

9. Petranski: The unit at the seed studies and production institute has achieved good application results but their costs are beyond the power of the institute. Together with the Ruse OARS [Okrug Agroindustrial Union] we could consider the future status of the application team at the "Obraztsov Chiflik" farm.

10. Obraztsov: I was impressed by the experience of the okrug seed production station in Burgas in the fast multiplication and application of new strains. What has it been that this experience is not being extended to the other stations? Work with wheat has stopped at the okrug station in Medkovets Village, Nishkovograd Okrug. Strains are neither being tested nor multiplied. We must not forget, however, that these stations receive the latest results of selection work.

KOOPERATIVNO SELO: Seed production is a complex and rather whimsical process. It requires not only a modern material and technical facility but highly trained cadres along the entire chain from the development of a strain to final production results. Following are some thoughts shared on this subject:

P. Petkov: The "Quality Seeds and Planting Materials" NPO has a considerable highly trained scientific potential which is properly dealing with problems of strain policy both in terms of the entire country and its individual okrugs and areas.

V. Stoykov: The institutes and the farms have a number of experienced cadres. Although these people love their profession, they are hardly sufficient to meet increased seed production requirements.

D. Kolev: Each APK engaged in seed production must include a specialist to organize, manage and follow the work. Seeds cannot be raised in accordance with ordinary procedures. Frequently managers and specialists, who are burdened by a number of daily concerns, neglect the decisive phases in the development of seed production crops and obtain undesirable results.

M. Petsanski: As is the case with any type of activity, here the subjective factor is of decisive importance. We are making efforts to upgrade the training of performing cadres. We have established vocational training centers in Knezha, Sadovo, Rakovski and Ruse. However, we are experiencing numerous difficulties. Many of our subunits lack permanent personnel who cannot attend training courses or other training institutions. So far the V. Kolarov Higher Agricultural Institute has not developed a section in charge of the advanced training of senior cadres.

St. Sherbanov: The V. Kolarov Higher Agricultural Institute does not train agronomists in selection and seed production. Such a course was offered previously by the Agronomy School in Sofia.

The ideas shared here indicate that the fast application of strains is not without hindrances. Problems arise related to organizing scientific services and the specific application of scientific and technical achievements. The significance of vocational cadre training is becoming increasingly clear. Their participation in complex application activities is increasing. This calls for steadily upgrading their practical skills in the various training units.

Problems Outside the Economic Approach

Objectively, the specific activities of the "Quality Seeds and Planting Materials" NPO and the seed production farms within and without its structure are based on commodity-monetary relations. That is why improving the economic levers related to them, such as cost effectiveness, profits, prices, production costs, trade, credits, and so on, are mandatory elements of economic ways and means of exerting an influence, as well as organizational methods covering planning, production, distribution and management.

N. Tomov: I would say that planning also reflects the attitude toward production problems. The APK and NPK obtain their account from the OAPS by crops, in totals, not indicating seed production amounts. Reports submitted to the OAPS as well do not list seeds separately.

V. Stoykov: As planning is transferred to the okrugs, we note the trend toward leaving seed production in the background. Our farm is assigned a plan for the production of grain corn, for example, and we are forced to set aside our best areas for this crop. Meanwhile, we are given the assignment of obtaining seeds from 60 varieties of many crops. We are forced to reduce our areas on which we grow vegetable seeds. We are unable to select areas based on seed production for each crop.

M. Petsanski: We are convinced that the best possible way to resolve seed production problems is through centralized planning. Naturally, given the general approach to planning in agriculture, the problem cannot be resolved easily and totally. However, it must be subjected to further studies.

N. Tomov: Speaking of an economic approach in seed production I must repeat the question which was already raised as to risks in the activities of seed production organizations. I already mentioned these risks but would like now to raise quite definitely the question that the related costs must be absorbed not by the "Quality Seeds and Planning Materials" NPO but the larger and economically more powerful organizations such as, for example, the NAPS. This is because in most cases the trust suffers the adverse consequences of objectively necessary sensible risks, while the benefits go to the NAPS organizations, of which the "Quality Seeds and Planning Materials" NPO is merely a small part.

M. Petsanski: I would like to add to Comrade Tomov's statement that the trust as well should have funds within which it could assume specific risks in seed production.

I. Angelov: The APK in Slivo Pole has great traditions in seed production. In recent years, however, we have retreated. We used to grow hybrid corn on 5,000 decares whereas now we have dropped to 2,500. The inclination is to reduce the production of clover, soybean and other seeds. The reasons are found mainly in the economic mechanism. Thus, for example, proper equipment is needed for the production of hybrid corn seed. No such equipment is being supplied to us and manual production is expensive and unprofitable. An even clearer example is the seed payment method. Payments are made at the end of the year. Let us take clover seeds as an example: we deliver them to the trust in September along with the soybeans. The prices are set. Why is it, therefore, that we are not paid for the soybean seeds the moment they are delivered to the trust's warehouse?

V. Stoykov: As a seed producer for many years, I find it difficult to accept some of the pedantic requirements of our state standards. For example, new high-yielding strains are developed and the practical workers are eager to use them. This requires faster seed straining and multiplication. We are producing seeds which, according to the Bulgarian State Standards, must have a moisture content not exceeding 13 percent, whereas a particular batch may

average 13.1 percent. This makes automatically the seed substandard, although even a most mediocre seed producer clearly realizes that this percentage does not reduce even by one milligram the farming quality of the seed. However, this forces us to reprocess it, which means additional expenditures.

D. Kolev: It is important for the standards mandatorily to take into consideration the biological worth of the seeds. As an agronomist I will not allow myself to sow first grade seeds without any knowledge of their multiplication or to neglect second grade seeds in their first multiplication. Should such seeds drop by even one percent in terms of germination, I would use one percent more seeds but would benefit from their biological worth.

St. Sherbanov: We are discussing here deviations of one- or two-tenths. This is permitted in many countries. In Hungary, for example, it is the director of the national seed control inspectorate who decides on the quality of the seeds with deviations within three to four percentage points.

This discussion confirmed the fact that our seed production system is properly performing its role as a dynamic factor in providing the national strain structures with seeds of new and highly productive strains and hybrids. All of this is the result of the steady improvements in seed requirements and support and the organization of seed production on the basis of scientific achievements and leading domestic and foreign experience.

Guided by the requirement of rapidly applying new highly productive strains and hybrids as a dynamic factor in agricultural production intensification, the participants in the meeting-discussion submit the following:

suggestions:

The strain testing and support systems must be improved; the organizational activities of the strain testing, multiplication and application system must be improved; quality changes must be made in the scientific services provided in seed production;

The latest wheat strains are usually multiplied in the APK and the legal stipulations governing seed production are frequently neglected. In order to prevent this, the new wheat strains must be developed within the system of the "Quality Seeds and Planting Materials" NPO;

Strains, the selection of which has not been completed, are submitted for multiplication. We must submit for testing and multiplication exclusively strains which stabilize hereditary qualities;

The seeds procured for basic crops are of good quality and in adequate volumes needed for the development of national strain structures. However, the specialized institutes must rapidly develop and test foreign strains of grass seed crops, mostly leguminous, as well as winter varieties of oats, peas and some vegetables;

The "Quality Seeds and Planting Materials" NPO must propose changes in some standards governing seed purchases, paying attention to the qualities which determine the biological worth of the seeds and other indicators. The Main Approval and Seeds Control Inspectorate should be given the right to allow minimal departures from some standard indicators;

Centralized seed production planning, which must be included in the indicators of mandatory plan assignments, is necessary in order to ensure the development of national strain structures in terms of volume and quality;

The NAPS Central Council must help to secure adequate capital investment ceilings in order that the material and technical base for seed production be improved;

The scientific research institutes of the "Quality Seeds and Planting Materials" NPO must try various organizational forms for scientific services provided to production workers and the practical utilization of scientific achievements. Such tests should be made quickly and the results applied in the most suitable way;

The NPO institutes should develop model examples of scientific and technical developments submitted for practical use;

The strict requirements facing our agriculture demand of the specialists systematically to upgrade their training in higher educational institutions. The specific features of seed production and the natural need for renovation of senior cadres demand of the V. Kolarov Higher Agricultural Institute in Plovdiv to offer specialized training in "Selection and Seed Production."

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FUEL-ENERGY BALANCES TO YEAR 1990 FORECAST

Prague REVUE OBCHODU/PRUMYSLU/HOSPODARSTVI in Czech No 12, 1982 pp 10-13

[Article by Eng Miroslav Fiser, State Planning Commission: "Development of the CSSR Fuel and Energy Balance up to 1990"]

[Text] From the viewpoint of primary energy consumption per capita population, CSSR consumption is roughly three times higher than the average of the entire world. According to various international comparisons, the CSSR can be classified as holding the third to fifth place in the world. At the same time, only the United States and Canada outrank the CSSR demonstrably by their consumption of about 10 tnp [tons of standard fuel] per capita population, i.e., countries where the conditions are quite different. The CSSR is then followed by the GDR, where the consumption is about 7 million [sic] tnp per capita population, and so the GDR is getting ahead of countries with highly advanced and, in terms of energy, highly demanding, industrial potential, such as the FRG, France, Sweden, Belgium and other countries.

The CSSR is in a similar situation even in comparison with the consumption of primary energy per unit of the total social product or national income. At the same time, one exceptionally important reality is the fact that from the viewpoint of dynamic development as compared to industrially advanced states, the mutual relations are not changing in favor of the CSSR, but some factors rather indicate that the trends follow the opposite direction, particularly during the period after 1973. This is so even in spite of the fact that the increase of domestic consumption was being taken care of by increases of imports of refined fuels.

The development of the CSSR fuel and energy balance in the last years was characterized by a continuous increase of the share of imports of fuel and energy resources. This trend reached its peak during the period of the Fifth 5-Year Plan (1971-1975), when almost the entire increase of domestic consumption was covered by increased imports. As late as during the period of the Sixth 5-Year Plan (1976-1980), the share of imports designed to cover the increase of domestic consumption amounted roughly to 78 percent. And so the volume of imports of fuels and energy in 1980 reached approximately 40 percent of domestic consumption. At the same time, these imports consisted almost entirely of refined forms of energy, such as natural gas and especially petroleum, as shown in the following data (given in million tnp):

	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1980</u>
Consumption of primary sources of energy in the CSSR	56.9	71.9	81.2	93.2	103.2
Domestic consumption increase	--	15.0	9.3	12.0	10.0
Petroleum imports	3.3	8.4	13.7	22.2	26.3
Increase of petroleum imports	--	5.7	5.3	8.5	4.1
Natural gas imports	--	--	1.5	4.1	8.8
Increase of natural gas imports	--	--	1.5	2.6	4.7
Share of the increase of petroleum and natural gas imports in the increase of domestic consumption of primary energy (in percent)	--	34.0	73.1	92.5	88.0

In this connection, the structure of domestic consumption of primary sources of energy also kept changing in favor of these fuels, while the share of coal kept decreasing, as shown in the following table (in percent):

	<u>1960</u>	<u>1965</u>	<u>1970</u>	<u>1975</u>	<u>1980</u>
Solid fuels	88.6	82.9	75.3	66.4	61.8
Gaseous fuels	2.8	1.5	3.3	5.5	8.8
Liquid fuels	6.7	11.7	17.6	24.5	25.5
Other	1.9	3.9	3.8	3.6	3.9
Total	100.0	100.0	100.0	100.0	100.0

It is not profitable for our economy to continue the development indicated by the given data, either from the viewpoint of absolute increases of the consumption of fuels and energy, or even from the viewpoint of their structure. It was correct and advantageous for our economy to keep increasing the resources by importing them during the period of "cheap crude oil." The price of petroleum increased rapidly on the world markets in 1973 to 1974. The price development of petroleum was even more pronounced in the period of 1979 to 1980. Even though we are not purchasing it at the present time at the high prices which are prevalent on world markets, we must realize that this year we will pay for it approximately Kes 20 billion more than it would have cost at the beginning of the seventies. This extent of additional payments due to price increases indicates how much effort the society must make to reallocate resources to pay for petroleum coming from other areas.

When we take just this fact into consideration, we cannot realistically expect to have a larger volume of petroleum for the next period than is available in 1982. Under the circumstances, we must give priority to using petroleum in those areas where its value will be increased most effectively, i.e., in practice as a chemical raw material, and in those areas where it cannot be replaced and still continues to be effective. This calls for a clear reduction of the consumption of petroleum products in energetics, particularly for production of electric power and heating. Such use of petroleum products is no longer profitable for our country. During the first stage, it is necessary in this area of consumption to find a substitute mainly for light products and at the same time to increase the yield of light petroleum products.

In the foreseeable future we will start building the first refinery with a capacity of about 1-1.5 million tons to process petroleum products. On the basis of these considerations, we must also seriously consider the possibility that by 1990 the consumption of light products will represent roughly 50 percent of the present consumption.

Along with petroleum, growing imports of natural gas exercised a substantial influence on the development of the structure of the fuels and energy resources. It is expected that gas imports will also keep increasing in the next period, particularly in connection with payment for gas involved in increased transportation of natural gas to West Germany through the USSR territory. However, one cannot expect that gas imports will increase as much as we managed to increase them during the first stage.

When we take into consideration the development of resources, taking into consideration the expected use of petroleum products in our country, we have to give priority to the process of switching from using lighting gas to natural gas. The increase of the use of natural gas can be used partly to replace petroleum products, but understanding that priority should be given to the process of increasing the yield of light products and to using the final stage of the process. Also, while expanding the consumption of natural gas, we must not forget it preferably for technological purposes and restrict its consumption. In all these considerations, it is also necessary to take into account the question of the living environment and to use this mainly within the territory of the USSR capital city Moscow, of capital city Bratislava, and of the coal mining areas of the North and East.

It was also in the previous period in the USSR to find ways of reducing the impact on the Czechoslovak economy of the increase in the price of oil and other energy paid on world markets. However, measures taken in the first stage of the Sixth 5-Year Plan to make better use of domestic resources, which resulted in an increase of the extraction of oil and gas to 1.5 billion tons (about 1.2 million tons more than in the previous period), created opportunities, and as a result we are

reaching the ceiling of domestic extraction. Extraction of brown coal should vary during the period up to 1990 within the range of 96 to 100 million tons annually.

Measures providing merely for stagnation of the extraction of brown coal are determined above all by the fact that the best and most advantageous parts of coal seams had been extracted in previous periods. Further extraction will proceed under more adverse mining and geological conditions, and will take place partly in coal fields previously exploited by deep mining. This is reflected, for example, in an increase of the cover ratio in pits, and at the same time the calorific value of the extracted coal begins to decrease and the proportion of types of coal of lower quality begins to increase. That also results in the necessary increase of investment costs and operating costs, particularly in recomputation in terms of specific fuels.

The conditions of coal extraction will also become more difficult in the Ostrava-Karvinna Coal Basin, whether it will be due to switching to greater depths or to using seams of lower quality and lower capacity. In the Kladno Coal Basin, coal mining in some locations is about to end. For these reasons, one must expect that during the period up to 1990 the overall extraction of hard coal will decline to roughly 25.5 million tons annually.

In spite of the given trends in providing our own sources of solid fuels, coal will continue to be the key factor in covering domestic consumption of fuels and energy in the CSSR up to 1990. At the same time, even this source of fuel has to be used more economically. That applies particularly to hard coal, which should be used primarily as a raw material for further processing. That is why during the period up to 1990 the production of coke should increase again roughly to the level of 11 million tons annually. The production increase as compared to the present level should be used partly as a substitute for refined fuels, particularly petroleum products, both in the area of technological consumption (iron metallurgy) as well as in the area of production of thermal energy, particularly in the non-ferrous metal production sphere.

Brown coal will still remain for many years to come the basic source of the production of electricity and heat. However, in connection with the development of nuclear energetics, particularly in the period of the Ninth 5-Year Plan, it is to be expected that brown coal will be used to a greater extent for the production of heat to the detriment of its consumption for the production of electric power. The extent of the given change in the structure of the use of brown coal up to 1990 can be estimated roughly at 10 million tons of annual consumption. Even if we take into consideration the considerable age of the existing boilers, we are confronted with a very complex and demanding task of changing the structure of appliances, particularly of sources of thermal energy, so that this structure would correspond to the expected development of the fuels and energy balance. And so, the coal released from the production of electric

power should be a key factor which would help to replace petroleum products, which by 1990 are to be released from the area of energy consumption. Investment demands and requirements with regard to the engineering industry are now being formulated more precisely in the same way as the possibility of converting certain existing steam condensation electric power plants to thermal heating plants. Measures designed to bring about the given structural changes by 1990 are to result in the preparation of a program which individual departments are expected to submit by the end of this year.

As stated before, greatest emphasis is placed on the development of nuclear energetics. It is realistic to consider the possibility that by 1990 nuclear electric power plants will be producing 5,820 megawatts. Their production should develop as follows:

	<u>1980</u>	<u>1982</u>	<u>1990</u>
	actual figure	plan	contemplated figure
billion kilowatt hours	4.5	5.4	28.0-29.0

In addition to the growth of the production of electric power in nuclear electric power plants, which will gradually replace the production of electric power in classic steam electric power plants using fossil fuels, there will be also a certain increase of imports in the balance of electric power (starting in 1984). This is due to participation of the CSSR in the construction of the Chmelnice Nuclear Electric Power Plan in the USSR.

The expected overall development of the sources of electric power will make it possible to increase by 1990 domestic consumption roughly by 15-17 billion kilowatt hours. This increase will have to be utilized to an even greater extent than in the past for new technological purposes, including further expansion of electric traction of railroad transportation and urban mass transportation.

The suggested development trends of the CSSR fuels and energy balance up to 1990 indicate a number of structural changes in this area. However, in principle it is necessary to expect that the total sources of primary energy designed for domestic consumption will grow much more slowly in the forthcoming period than they did in the past. The dynamics and effectiveness of the national economy under the circumstances will be determined primarily by the level of the process of increasing the value of the fuels and energy inputs in the entire reproduction process. That means not only in the area of conversions of individual forms of energy and in the process of their final consumption, but also in the area of consumption of products, especially products which are demanding in terms of energy and whose quality and technical level must correspond to the trend on the world market. That is why the question of increasing the value of fuels and energy inputs cannot be merely a matter to be dealt with by units of the power industry, but by all areas of management of the development of our economy.

TRADE UNION INITIATIVE HELPING ECONOMY

Prague RUDE PRAVO in Czech 24 Jan 83 p 3

[Article by Vladimir Marik, secretary of the URP [Central Trade Union Council]: "Initiative--a Driving Force in the Economy; by Developing Socialist Competition, We Shall Welcome the 35th Anniversary of the Victorious February"]

[Text] Two fundamental values mark and support the transition into this year. First, the demonstration by the working people of their identification with the CPCZ policy and their full confidence in the correctness of the party congress program by their work and political attitudes toward fulfillment of the 1982 plan. Second, their transformation of creative initiative into material values. These factors can and must be taken into account, for though not included in production volumes and plan indicators, they are nonetheless relied upon by our economy as a potential force. Therefore, the Seventh Plenum of the CPCZ Central Committee emphasized in its resolution that to secure the demanding tasks of economic and social development plan in 1983, development of socialist competition, the socialist brigade movement, the complex rationalization brigade movement and the activities of inventors and innovators must become decisive forms of work. Economically and politically, the trade union's role grows in proportion to the extent of participation by working people in the turn toward higher social effectiveness, not only by fulfilling the plan, but also by participating in the plan's preparation and creation.

Recent nationwide industrial branch conferences of the socialist work brigades [BSP] brought more convincing evidence of a realistic, nonformal and mature attitude about managing the plan's demanding requirements. The political significance attributed to the brigades, in terms of their influence on the economy and political maturity of work collectives, was emphasized by the presence of the delegations from the CPCZ Central Committee, the government and the URO. Representatives of 5,000 leading BSPs of all 23 branches of our economy unanimously agreed at these conferences that the principles expressed in the slogan "To Work in the Socialist Way--To Live in the Socialist Way" now refers to both work-related and educational activities of the BSP in securing material needs and economic development. The means of bringing about economic intensification is more urgent now than ever before under the transitional conditions of the economy in both present and future.

The Great Mission of the BSPs

Last year BSPs provided an opportunity for expressing this active attitude toward the development program by their devoted and active work, socialist attitudes to work and making their members ideologically and morally strong socialist personalities. The criticism of their members about shortcomings, such as superficiality, parasitism, or weaknesses and gross negligence in management are not based on objections to economic and social development tasks; on the contrary, they aim at overcoming errors and irresponsibility in order to help to fulfill the 16th CPCZ Congress program. In accordance with this fact, during December 1983, the URO Third Plenum established higher and more demanding goals for the BSP movement. These goals are proportional to the requirements on our economy during the forthcoming years of the Seventh 5-Year Plan.

The mass development of the BSP movement requires seeking such approaches and forms of activities as well bring a change into a new, higher quality, further increase the brigades' active participation in the solving of economic, social and educational issues. The Principles of the CSSR Government and the URO have the same goal and they require increased demands on the character of BSP collective activities and on those of their individual members, especially emphasizing more active roles for trade unions, economic agencies and youth organizations.

Nothing can come of the BSP program by itself. Some collectives are still laboriously looking for a meaning to their activities, because the economic management does not pay enough attention to them, and often a suitable estimate for them is not even created for them by the appropriate trade union authorities. It is an illusion to suppose that to work with the BSPs it is sufficient to summon an aktiv once a year. On the contrary! To raise the influence of the BSP in the work process, it is necessary to systematically direct their activity, to consistently create organizational conditions for their independent creative activity and to relieve them of unjustifiable bureaucratic evaluation and formalism.

In their conference discussions, the BSP members pointed out that insufficient interest by economic management in their activities in itself leads to a certain degree of formalism and embarrassment, causing great unused potential to remain in the work of entire collectives which could otherwise be much more useful to the society. Successful in this respect were, for instance, the BSPs in the Trinec Iron Works, which last year organized 10 additional shifts of quality progressive work in honor of the 10th Trade Union Congress, apart from participating in an internal competition. Hundreds of BSPs in the mining industry contributed decisively in exceeding the coal mining plan for the entire industry by 538,000 tons, particularly through the record movement "Overcome Yourself and Be Steadfast."

The fact is that BSPs are pioneers of new initiatives and more progressive work methods not only in mines, factories, construction works, agricultural enterprises but also in research institutes. They also include in their

activities efforts to rationalize and develop new work practices. Their initiatives have a creative character--which is a really new feature. Experimentation with joint brigades should be extended further. An example of a successful joint brigade is the one led by Hero of Socialist Labor Josef Kral in Sigma Hranice. This brigade joins two complex rationalization brigades and four BSPs, which represent all relevant professions, beginning with premanufacturing stages and ending with expediting. The purpose of this broad collective is to make efficient use of digitally controlled technology and single-purpose machines.

Numerous other collectives from various branches focus on product innovation, others on production of first-quality goods, facilitation of labor, lower consumption of materials, energy, metals and raw materials, yet others on more intensive use of grain fodder or application of the latest scientific technological knowledge. Especially valuable is the movement for raising product technological levels and utility as developed by the BSP of designers and design engineers at the Klement Gottwald Iron Works in Vitkovice and led by Hero of Socialist Labor Eng Zdenek Hyl. The conferences only confirmed the well-known fact that the way to open the floodgates of scientific-technical revolution is primarily through introducing a higher level of initiative at the premanufacturing stage. Both the branch management and trade unions must more fully support, generalize and spread creative technical endeavors.

To Increase the Influence on Planmaking

Last year it was clearly demonstrated that another means by which BSPs can apply their creative energy is implementation counterproposals. Deepened active participation of workers--mainly in the preparation and formulation of draft implementation counterproposal plans by qualitatively higher degrees of creative initiative--gives space for unveiling internal unused potentials, mobilizing and utilizing the capacities, talents, knowledge and experience of workers for more effectively achieving and exceeding the objectives determined in the 5-year plan.

Again the URO emphasized that the vitality of implementation counterproposal principles has been proved and that the implementation counterproposal must be more consistently related to economic initiative. On the other hand, when more progressive tasks have been adopted in annual plan drafts, progressive penalizing must be applied when objectives are not fulfilled and the 5-year plan indicators deteriorate. Trade unions regard as unacceptable the practice of superior management bodies which incorporate profit from the implementation counterproposals into plan specifications and "swallow" the stimulating elements of the implementation counterproposal approach, thus unacceptably discouraging initiative from below.

The mobilization of hidden internal potentials through implementation counterproposals aims at the introduction of new methods and unused potentials into the operation plans, preserving all determined advantages, so that they can be systematically utilized in securing the dynamic development for the entire economy.

According to the directives for BSPs issued by the government and URO, economists must direct the workers initiative toward key tasks in manufacture, scientific and technological progress and khozraschet indicators. This requires organizing regular meetings of ROH [Revolutionary Trade Union Movement] functionaries and BSP leaders and councils to discuss problems with them at operational meetings and to act on their criticism as well as suggestions. It is especially necessary to pay systematic attention to new collectives, to guide and to educate them, making them into capable, mature and creative brigades. In many enterprises, BSPs form a natural base for establishing a brigade form of work organization and reward in accord with their growing share in implementation counterplanning, their adopting more demanding tasks and their more extensive influence on the creation of stimulating reward elements.

We ask from trade union agencies and organizations that they maintain a balance in fulfilling all their functions, but also that they pay increased attention to all aspects of the social development of workers collectives and to their ideological guidance and education so that they win the workers for the noble idea of the BSP, while acquainting the brigades with the objectives of the party's policies and winning them for a high commitment in fulfilling these objectives and goals. Further, they are required to take full advantage of their legal rights to secure work safety and health protection, and to create the necessary conditions for the brigades' socially very useful activities. However, the trade unions have an equal duty to oppose covering up shortcomings in management and taking advantage of the devoted work of BSPs to correct gross mismanagement and the bad organization of work operations.

According to the CPSZ policies, the basis of social democracy creates preconditions for workers so that they can make the managing of the economic problems their own matter through their active participation, based on every worker's equality of rights and duties, the right to work and the duty to participate in work socially profitable for socialism. The internal conflict between social and individual interests is foreign to the collective character of brigades. In their atmosphere, valuable features of characters are forged and professional knowledge of individuals grows, while the members of the collectives are formed as mature socialist personalities.

The experience gained from the development of trade union democracy and political and organizing activities of trade unions directed toward masses since the 10th Trade Union Congress fully confirms that the initiative of the masses is a transforming material force with an inexhaustible source. It is a necessary precondition that economic management and trade union or organs work together, without artificial divisions of labor between them, and to create conditions for a deepening of the participation of working people in management, stimulate and direct correctly socialist competition, appreciate and make public well-tried pioneering deeds, innovative methods and the record movement. Nothing does more harm to the people's initiative and thus to the genuineness of our socialist democracy in practice, than neglecting the opinions of workers, underrating their initiative and a technocratic, superior, approach toward people.

Trade unions are fully responsible for protecting every BSP, or a collective competing for the title, whenever these enter conflicts with selfish interests, harmful prudency, negative phenomena in general, sloppy work, frequent absences or obsolete views of social needs, and do so for the sake of correct economic policy.

For Everyday Fulfillment of the Plan

The nationwide industrial branch conferences of BSP's became a mobilizing contribution to the furtherance of activity by pioneering collectives. Moreover, they were also new evidence that numerous complex tasks have been achieved, overcoming seemingly unsurmountable obstacles, thanks to the revolutionary activity by the best collectives of the working class, technical intelligentsia and other working people who have joined the BSP's. Now it is important that BSPs bring to their side and incorporate in the movement those who lag behind, linger in one spot or who even need more help, understanding and self-confidence. The strength of BSPs is their optimistic perspective, In the enthusiasm of enthusiasts, in the devotion of devotees there is strong support for the realization of further economic development and social stability.

The first quarter of this key year in the Seventh 5-Year Plan concentrates on a number of measures necessary for an even fulfillment of objectives. It is necessary to begin the year "starting full steam ahead" to achieve daily and weekly fulfillment of the plan.

Therefore, when breaking down the 1983 national economic plan for enterprises and factories, it is necessary to explain even more fully the laws of the new stage to the workers. Trade union organizations are required to further develop not only the forms of people's participation in management, notably through operational meetings, but also through economic propaganda.

At the suggestion of the URP secretariat, the CSSR Government decreed in the resolution of 18 November 1982 that the economic management is required to acquaint workers with a concrete plan when breaking it down.

It is important for the trade union ROH factory committees to actively enforce breaking down of individual plan objectives to the level of the factory's internal organizational units, both in terms of production and economic indicators. This breakdown should create the conditions for the introduction of brigades or workshop khozraschet. The ROH factory committees must more consistently demand that the appropriate economic managers acquaint the employees with tasks elaborated for collectives and individuals.

Under the guidance of the CPCZ local organizations, the trade union bodies in factories are expected to ensure that the economic plan for 1983 is broken down into concrete individual workshops, operational facilities and their departments, farms and brigades, and that the plan's breakdown is accompanied by the workers active efforts and initiative to exceed these tasks in honor of the 35th anniversary of the Victorious February.

The social inspection of fuel and energy conservation measures is not to be understood as a single one-time event or a short-term campaign. It is being performed in accord with the decision of the CPCZ Central Committee, the government and the URO, and is to be part of all good organizing efforts for securing fulfillment of the 1983 plan. The managing and organizing efforts in all factories and organizations should be conducted so that they become a stimulus for rationalization teams of innovators and inventors, and a standard for the work results in the research and development base, design and project offices, in brief, an always open account for all economists.

In the spirit of the 10th Trade Union Congress' appeal, the ROH organizations will stimulate collectives to fulfill and exceed the objectives of the fuel and energy conservation goal-oriented program and to actively participate in verification. They should also see to it that rewards for proved fuel and energy savings are provided readily. The verification as a whole can reach the goal desired only if it becomes an inseparable part of the 1983 plan's rationalizations, including the implementation counterproposals. The real goal is to respond to the 10th Trade Union Congress' appeal by exceeding the conservation objectives of the state program by at least an additional 0.5 percent.

Verification produces good results not only by finding hidden potentials and organizational capacities, but also in political maturity and initiative. In a number of factories the rationalization of savings has resulted in comprehensive pledges in honor of the 35th anniversary of the Victorious February, as in Spolana Neratovice, Metaz Tynec and Sazavou and other places, for example. Especially valuable is when it becomes a starting point for the movement by factories and enterprises to pledge "to produce 1-day or 1-day production from saved energy and fuels." Pledges to work shifts in honor of the Victorious February grow in number every day, for example, in Maxim Gorkij Mine in North Bohemian Lignite Mines.

The resolution by the Seventh Plenum of the CPCZ Central Committee emphasized that the tasks of the technological development must be completed more readily and its results must be implemented in manufacture in order to secure the intensification elements of the economy. The requirements have a new feature: trade unions must contribute to a larger extent in completing and fulfilling complex socialist rationalization programs, production plans, introducing inventions and innovative proposals and thematic tasks, especially in design and research and development institutions. The technology development plan makes this task urgent in 1983 for every VHJ (economic production unit), enterprise or factory.

At the 10th Trade Union Congress, Comrade Karel Horrmann observed: "In uniting science and manufacture, the complex rationalization brigades have a great role. We appreciate their work and we will support it and appreciate even more." This is the way of Poldi, United Steel Works National Enterprise Kladno, for example. Since they organized complex rationalization brigades, they have made use of 122 innovative proposals and rationalizations.

programs and 612 pledges from individuals and collectives, ensuring that the goal-oriented conservation program will be exceeded by 0.5 percent. This represents a total of 6,000 cars of black coal used for generation of energy.

Even though we appreciate the already considerable importance of complex rationalization brigades, we must criticize the economic management agencies and trade unions and point out that the current condition of the movement corresponds neither to economic needs nor the capacities of the scientific-research base and the premanufacturing stages at manufacturing branches.

There are many negative phenomena which make life difficult for innovators and inventors and which negate the results of their labor by head and hand, and which hamper their creative activity. Some organizations do not conduct research into the economic usefulness of inventions and innovative proposals, and the legally determined rewards are unjustifiably lowered.

Therefore, we must direct the power of trade union organizations and bodies toward overcoming persistent conservatism and lack of interest by some economic managers.

Fighting Conservatism

It is the order of the day to aggressively attack mediocrity, indifference and routine by providing significant personal examples of innovators and the commitment of the broad aktiv of creative workers.

The demanding conclusions of the Seventh CPCZ Central Committee Plenum confirms that a fundamental condition for securing the 1983 national economic plan is the purposeful cooperation among trade union organs, the state and economic management. Trade unions must extend the content of their activities ties, fully subscribing to the CPCZ program and their growing shared responsibility for economic and social development. Through their active participation in economic-policy creation, implementation and inspection, they become an irreplaceable part of the entire political socialist system.

Last year in joint sessions of the URO and the government, the trade unions, the leadership of ministries and other trade union and economic bodies proved very useful, showing important aspects of the growing practical influence of trade unions on the development of socialist democracy.

However, it is crucial for further progress and effectiveness of these cooperative relations to transfer their center of gravity to the factories and enterprises, where the decisive part of the development is taking place.

Recently, the forms of mutual cooperation between the economic management and appropriate trade union organs in factories have grown in number. However, we cannot be satisfied particularly with their present level of content and the attitude toward them. Therefore, to secure a consistent breakdown and balanced fulfillment of the plan, a correct direction and development for socialist competition and the concern of the working people, the ROH

factory and enterprise committees are expected to prepare and implement joint, thoroughly thought-out discussions with economic managements in the first quarter of this year, according to the resolution of the URO Third Plenum. These discussions should reflect the needs of the manufacturing area, secure the pledges of collective agreements in enterprise social policies and, especially, to give stimulating support and direction to development of the socialist competition in honor of the 35th anniversary of the Victorious February.

9814

CSO: 2400/131

NYKRYN URGES EXPANSION OF INDUSTRIAL LEASING

Prague REVUE OBCHODU/PRUMYSLU/HOSPODARSTVI in Czech No 12, 1982 pp 12, 13

[Article by Eng Jaroslav Nykryn, DrSc, Advanced School of Economics:
"Opportunities for Taking Advantage of Leasing in the Czechoslovak Economy"]

[Text] The essence of advertising by numerous European leasing companies in authoritative professional periodicals is an offer that by using the form of rent rather than sale, they would supply manufacturers and investors with machinery, installations, apparatuses, vehicles, and even entire manufacturing technology, including buildings, computers, or office equipment, and that conversely, by using the leasing method, they would facilitate the export and marketing of any investment installations. We can mention just at random advertising, for example, in such an important periodical as the WEST-OST JOURNAL /WEST-EAST JOURNAL/ (issue No 3 of June 1982), published by the West German leasing company Deutsche Anlagen-Leasing GmbH, which outlines the basic characteristics of all the advantages of leasing.

A study of the development trend of leasing services on an international scale confirms that leasing is spreading rapidly especially in industrially advanced capitalist states. Leasing is becoming a form of investment financing which is used more and more frequently. It replaces self-financing or external credits. In the United States, leasing is used at present to finance about 7 to 8 percent of all investments. In the FRG, leasing covers some 6 percent of the total financial volume of investments. The socialist countries are also activating their leasing policy. For example, Soviet banks operating in foreign countries have now started to establish their own leasing companies in West Europe (East-West Leasing in London, Promolease in Paris). There is no reason why leasing could not be used in appropriate cases in the Czechoslovak economy as well. Under the conditions which exist in our country, the prerequisite for successful use of leasing is perfect knowledge of its nature and forms as well as of all economic circumstances. The results of the use of leasing in Czechoslovak foreign trade have been worked out in the first half of this year by a special work team of the Commission for Questions of Foreign Trade at the Czechoslovak Chamber of Commerce and Industry.

It is probably not necessary to explain the nature of leasing in detail. In the case of leasing, a rent contract replaces a purchase contract, which means that the object of leasing remains the property of the lessor. Among all kinds of variations of leasing contracts, the most frequent cases are those when the object of the contract is placed at the disposal of the user for a period agreed to on the basis of payment of rent. After expiration of the period, the object is returned to the owner. Another variation is extension of the leasing period with gradually decreasing rent payments. The third variation is the one in which after expiration of the original lease the object of leasing is sold and becomes the property of the user. It is sold for a residual price, that is, for a price reduced by the appropriate percentage of amortization. What is important among the conditions of leasing contracts is the question of guarantees for proper operation and functioning of the leased object, guarantees for routine repairs by the lessor, and routine servicing.

From the viewpoint of utilization of leasing in the Czechoslovak economy, particularly in the production sphere [i.e., industrial leasing], it is necessary to watch the international development of leasing services. In capitalist states, the originally simple method of leasing producer goods directly by the manufacturers has become gradually differentiated, and additional subjects handling leasing operations, especially specialized leasing companies and banks, have gradually found their place among lessors (manufacturers) and lessees (users). That led to expansion of the variety of the forms of leasing operations and to an increase of their volume. As also indicated by the advertising mentioned previously, leasing companies have made the lessees independent of direct products in terms of selection of the object of leasing. Leasing companies are willing and able today to lease practically everything a lessee needs.

The main forms of leasing at present include the following:

--active and passive leasing. It depends on the viewpoint: the provider of the object engages in active leasing, the user receiving the object engages in passive leasing;

--operational leasing: It represents lease of an object, as a rule for a rather short period of time, by the direct producer or owner, who may have acquired the object by purchasing it from the manufacturer for the purpose of leasing it to someone;

--leasing of transportation means, for example leasing of passenger cars, routinely called rental ("rent a car"), which is a method also well known in our country (for example, Progotcar);

--financial leasing, which is the most significant form at present: A leasing company or a bank engaged in leasing services functions as a go-between between a manufacturer and a lessee. Leasing in this case is actually a form of financing.

According to our experts (for example, V. Zahalek, see article "Leasing in Foreign Trade" published in the periodical ZAHNANICNI OBCHOD [FOREIGN TRADE] No 6/1982), the growing trends in the use of leasing can be described in general terms about as follows:

--the volume of the value of buildings and installations, which form the object of leasing operations, is growing;

--the share of investment installations, including complete operational plants and entire factories, is clearly increasing in the structure of leasing operations, and at the same time the share of installations designed for specific and specialized purposes is growing faster;

--next to leasing companies, organizations taking an increasing greater part in leasing operations include also banks, which are forming their own specialized units for these services;

--Leasing is becoming a new form of complete credit operations and a method of exporting and importing machinery and installations as well as certain products which are technically complicated.

Leasing has not been used too much so far in Czechoslovak practice. One of the reasons is probably lack of information in the production sphere and certain complexity of the accreditation regulations ("Instructions of the President of the Czechoslovak State Bank No 60/1977 Concerning Procedure Applicable for Release of Foreign-Exchange Funds to Cover Contracts in Leasing Machinery from Capitalist States"). After many years, another case of passive leasing operation was approved again in February 1982 for financing certain foreign installations to be used by the Tiba National Enterprise. It seems that the people who are best informed so far are workers of the Czechoslovak Commercial Bank. They are able to evaluate various aspects of leasing programs under consideration and their effectiveness, and to provide the necessary consulting services for interested parties in Czechoslovakia.

Advantages of leasing are examined and utilized under the conditions which exist in capitalist economy, both in the area of financial liquidity in the area of tax exemptions. Leasing means payments of rent in the form of certain installments spread over a longer period of time, which reduces the requirements in terms of financial liquidity as compared to procurement of the leased object by purchasing it. Payment of lease by installments is a recognized cost outlay for tax purposes, which reduces the tax obligation. As to its economic effectiveness, leasing is never evaluated in isolation from other methods of financing. Instead, it is considered as an alternative of buying on credit or for cash. When making an outright purchase, it is necessary to compare it to leading outlays, even though the sum total of rent payments is as a rule higher than the purchasing price (and that might discourage the use of leasing). On the other hand, one must take into consideration the fact that when the purchase is made on credit, the rates of leasing

operations are not necessarily too different from the conditions of credit (interest) for standard bank loans or credits given by suppliers. Furthermore, leasing rates are relatively stable and have a relative tendency to decrease in comparison with the development of interest rates. It means that leasing companies are trying to get completely adjusted to the credit conditions of the banks. In addition, in capitalist states there exist advantages mentioned previously in the area of financial liquidity and tax exemptions. Furthermore, another factor to consider in certain cases is the possibility of paying the rent in the form of products manufactured in the rented facilities, if the lessor is willing to accept such form of payment (analogy of payment in the form of reciprocal purchases).

Under the conditions which exist in Czechoslovakia, in the case of passive leasing one has to not only watch the direct costs involved in renting foreign machinery and installations and compare them not only to the purchase price involving different conditions of payment, but especially to compare them to the benefits derived from the opportunity of getting top-level technology fast and according to the precise concepts of the Czechoslovak interested party. Under normal conditions, one must see the advantages of leasing from this viewpoint in the fact that leasing helps technical development, promotes innovations of production and products, and contributes to the exporting efficiency of the Czechoslovak industry.

Passive leasing, which means getting foreign facilities for the Czechoslovak production base, can be useful in two cases:

- a) If it involves short-term leasing for a period shorter than the service life of the installation, in which case the object is returned to the foreign owner after expiration of the renting period. The prerequisite is that the installation would manufacture products which can be exported for high prices in foreign currency. Of special interest would be a case in which a foreign lessor of the installation may be willing to accept compensation in the form of these products instead of payment of the rent in foreign currency.
- b) If the leasing is signed for the period of the service life of the given machine, regardless of the period of amortization or amortization quota. After expiration of the period agreed to, the object of leasing would remain, in terms of the amortized value, as property of the Czechoslovak manufacturing enterprise under conditions which would be determined by the appropriate financial regulations. This form should be used in those cases when the rent is combined with maintenance, servicing, replacement of parts, and possibly replacement of the entire installation for one which would be more advanced and productively more effective.

The form of imports of modern foreign machinery through lease financing should prove to be suitable for Czechoslovak manufacture in view of the general advantages, which can also be expressed in terms of foreign currency effect. It would be necessary to prove that the credit form

of financing may turn out to be more advantageous than leasing in a mere optical form, because it is necessary to evaluate realistically the opportunities of getting medium-term credits on the capitalistic monetary market, providing that it would be possible to get them at all, of course. It may turn out that medium-term credit is not more advantageous to the Czechoslovak economy than leasing.

Active leasing, which means a form of marketing of Czechoslovak machinery and installations, requires a substantially more far-reaching cooperation with leasing companies on capitalist markets. One can recommend creating certain organizational conditions for the purpose of developing active leasing in foreign-trade organizations dealing with mechanical engineering, so that these organizations (OZO) could lease Czechoslovak machinery, or sell them in the form of "hire purchase." Czechoslovak ownership-sharing organizations should also participate more in the planned leasing operations. However, until such time when the organizational prerequisites are created, it might be useful to make greater use of the existing leasing companies, particularly of their facilities in terms of capital used for financing of Czechoslovak exports. The basic idea would be that Czechoslovak machine-building OZOs would sell machinery and installations to leasing companies on the basis of so-called leasing by suppliers. This means arranging lease credit sales ("hire purchase") or leasing arrangements with those companies which finance export cases, that is, those which make payments to Czechoslovak OZOs in cash or on short-term credit and themselves lease the machinery and installations to prospective foreign customers.

The use of leasing companies could make the products of Czechoslovak machine-building enterprizes more saleable even during a period of credit restrictions in capitalist states. Credit requirements of Czechoslovak imports can also be reduced at the same time.

Of course, under the conditions of keen competition on capitalist markets handling machinery and installations, one cannot forget the fact that precisely the given type of cooperation with leasing companies will be acceptable to them only on the assumption that Czechoslovak OZOs will also cooperate with them in the reverse direction, that is, they will handle through them cases of imports as well. It is almost certain that the requirement of some sort of "leasing reciprocity" will be enforced.

At the same time, it is necessary to examine the question as to whether in the course of time it may also be required that certain Czechoslovak OZOs become capital-sharing participants in leasing companies. One can add that basic Czechoslovak regulations concerning property-sharing in foreign countries do not exclude such possibilities, and also that such an expansion of the field of activity and functions of Czechoslovak property-sharing (affiliations) should be stimulated in a planned manner.

SUGAR BEET GROWING METHODS EXAMINED

Bratislava EKONOMIKA POLNOHOSPODARSTVA in Czech No 1, 1983 pp 31-33

[Article by Jana Kastankova, Cestmir Kastanek and Zdener Myler, engineers and science candidates, Research Institute of Agriculture and the Food Industry, Prague: "Important Intensification Factors in Growing Sugar Beets"]

[Text] Sugar beets are one of the most labor-intensive crops of the temperate zone and, in terms of the volume of sales, a decisive component of the agricultural enterprises' income in the sugar-beet regions. Even though the sugar-beet acreage in the CSSR is gradually increasing, its production does not meet the aspects of national economic effectiveness. This is evident from the average yields per hectare during the individual years of the 5th Five-Year Plan, which fluctuated in accordance with the weather conditions. The situation was similar under the 6th Five-Year Plan, but the average yield was lower than under the preceding five-year plan (see Table 1).

Table 1. Acreage and Average Yield of First-Year Sugar Beets

Rok (1)	Vývoj (2)						
	1970	1975	1980	1985	1990	1995	2000
Osevní plochy [tis. ha] (3)							
ČSSR	183	216.8	217.7	213	213	213	213
CSR	135	156	157	153	153	153	153
SSR	48	60.8	60.7	60	60	60	60
Hektarové výnosy [t·ha ⁻¹] (4)							
ČSSR	36.96	35.62	34.2	36.49	39.68	41.14	42.39
CSR	36.58	35.46	33	39.22	39.55	41	42
SSR	38.01	36.04	36.67	36.07	40	41.5	43.3

Key:

- | | |
|----------------|--------------------------------|
| 1. Year | 3. Acreage, 1000 hectares |
| 2. Development | 4. Average yield, tons/hectare |

Parallel with the formation of larger economic units, the agricultural enterprises clearly concentrated on growing sugar beets. The average sugar-beet acreage per farm rose from 159 hectares in 1975 to 270 hectares at present. In the future, the total sugar-beet acreage is expected to level off at 213,000 hectares in 1985. The average yield per hectare is expected to increase over 1975 by 11.4 percent in 1990, and by 19 percent in the year 2000. Even though the sugar

beet has the highest yield potential of all the field crops grown at present, in practice only about 60 percent of this potential is being utilized. This low degree of utilization is due to the high reserves and losses that occur throughout the entire production process.

The causes of the unutilized reserves and high losses in growing sugar beets stem from an entire complex of factors that influence unfavorably the profitability of growing this crop. Among them we should mention first of all the inadequate supply of the agricultural enterprises with machinery and spare parts for autumn and spring soil preparation, seeding, cultivation, harvesting, and hauling the harvested crop. Furthermore, manufactured fertilizers and plant protectants are not being supplied on time. The shortcomings in management and organization become evident when new technologies are introduced that are more demanding with regard to the quality of the work performed. Inadequate fertilization with stable manure and manufactured fertilizers, the selection of less suitable plots, delays in carrying out the autumn and spring agrotechnical measures, their poor quality, and the skipping of some of these measures are the causes of the low percentage of emerging seedlings, of gaps and clusters after thinning, and thereby of the overall imbalance of the sugar-beet fields. However, this negative effect cannot be remedied by any means during the production process.

Agrotechnical Factors

In actually growing sugar beets, the greatest reserves--about 506,000 metric tons of sugar beets in entire Czechoslovakia--were estimated in the basic agricultural practices. A series of different factors contribute to the magnitude of these reserves. For example, late and shallow plowing alone reduces the percentage of emerging seedlings by 15 to 25 percentage points, whereby the losses in mechanical harvesting become higher. Within the system of soil preparation, the number of plowings is being reduced, which can lower the percentage of emerging seedlings, and also the average yield by as much as 3 tons per hectare. In the same manner, late application of stable manure reduces not only the percentage of emerging seedlings and the average yield, but also the technological quality of the sugar beets. Low application rates of stable manure likewise reduce the average yield. Autumn harrowing, which increases the percentage of emerging seedlings and the effectiveness of herbicides, is also omitted. In spring, considerable losses are caused by too deep cultivation, which reduces the percentage of emerging seedlings by 10 percentage points and causes more of the tap root to grow above the soil surface. Another cause of unutilized reserves is the increasing number of operations during the preparation of the seedbed, which reduces the percentage of emerging seedlings by at least 10 percentage points, dries out the soil, and thereby reduces the effectiveness of the root herbicides. The average root yield is thus reduced by as much as 9 tons per hectare.

Reserves exist also in the application of technologies for which the basic agrotechnical conditions are not provided. The reserves in this respect range from 3 to 11 percent, and their magnitude is influenced indirectly also by the use of seed unsuitable for the technology employed. When the seeds are planted more than 10 cm apart, the seed used should have a germination percentage of at least 57 percent; for a planting distance of 7 to 10 cm this percentage should be 80 to 87 percent; and for a planting distance less than 7 cm, it should be 75 to 80 percent. When seed of inferior quality is used for the individual planting

distances, the percentage of emerging seedlings declines considerably and there are more gaps. For example, if the proportion of gaps is 1 percent, the average yield declines by 0.5 ton per hectare, and the harvesting losses increase by 0.4 percent.

The planting time also has a strong influence on the yield, because a delay of one week in planting can reduce the root yield by as much as 3 tons per hectare. The type of planting machine used likewise strongly influences the quality of the stand that is determined by the percentage of emerged seedlings, the proportion of plants in clusters, and the proportion of area less efficiently utilized (twins, excessive distances between plants). A solution to this problem is, for example, the Unicorn planting machine that, in comparison with other types of machines, increases the percentage of emerging seedlings by 10 percentage points; and the yield, by as much as 4 tons per hectare. Most of the planters in use do not meet the requirements regarding the accuracy of spacing in the rows, the mode of depositing the seed, damage to the seed, and maintenance of the depth of planting. Within the framework of utilizing the existing reserves, therefore, every planter must be tested each year, and proper assembly of the planting mechanisms must be checked. If local conditions permit, the rows should run north to south, in order to maintain straight rows and prevent harvesting losses. Most planters are not equipped with adapters for strip-spraying of herbicide, and this results in higher consumption of the preparations and also poses a threat to the emerging seedlings. The fact that the planters are not equipped with adapters for the placement of granular pesticides means that the sustained protection of the sugar-beet plants against pests and diseases is not ensured. As a result, in practice it is necessary to use excessive amounts of seed and herbicides. For the better utilization of the reserves, therefore, all planters should be equipped with the mentioned adapters.

Seed, Nutrients, Chemical Protection

Great reserves in the sugar-beet yield, amounting to 330,000 tons a year, exist in the inferior quality of the seed, where the basic requirements for attaining seed of high biological value are not met. Also mechanized cultivation, without manual labor, has been hampered, and is partially hampered even today, by the shortage of genetically monogerm seed, or at least of processed seed in which the proportion of monogerm seeds is over 70 percent. To attain the planned acreage, average yields and labor productivity, it is necessary to ensure by 1985 the supply of genetically monogerm seed for 95 percent of the acreage. It is no longer possible to expect to grow sugar beets with a technology requiring manual labor.

Due to seed of poor quality, inadequate soil preparation and weed infestation, it has been necessary to plow under 2 to 8 percent of the sugar-beet acreage each year. Therefore the farms must be supplied seed with a high percentage of germination that is necessary for planting the seeds farther apart. It is also necessary to supply adequate mechanical equipment for the cultivation of seed beets, and facilities must be built to process the harvested seed.

Statewide considerable reserves (242,000 tons) have been estimated in the failure to properly supply the sugar-beet plants with the necessary nutrients. This applies primarily to overfertilization with nitrogen. In practice the nitrogen dose is around 180 kg/hectare, whereas the optimal technological quality of the sugar beets requires a maximum of 120 kilograms per hectare. The unutilized field reserve is then the lower root yield, accompanied by a reduction of the

sugar content. But at an average price of 3.78 korunas per hectare, the unnecessary application of about 60 kilograms of nitrogen per hectare, as compared with the optimal dose, represents a loss of 226.80 korunas per hectare. In the production of sugar beets the yield potential sometimes is not utilized due to inadequate fertilization. But such cases are limited to local occurrences, and it is very difficult to estimate the acreage involved.

Weeds are one of the most harmful pests in the production of sugar beets. On the other hand, however, cases are not infrequent when it becomes necessary to plow under a proportion of the acreage because of damage by herbicides. These are losses caused by the improper application of herbicides, and by the residual effects of herbicides with which the previous crop was treated, usually corn with herbicides of the triazine type. The reserves inherent in failure to observe the instructions for the application of herbicides have been estimated statewide at 418,000 tons a year. Parasite infestation causes considerable damage to the sugar-beet crop. For example, the beet nematode [*Heterodera schachtii*] infests significantly about 20 percent of the sugar-beet acreage and reduces the root yield by an estimated 5 percent. With increasing concentration and specialization, this problem can be expected to become even more serious. Considerable losses are caused also by viral diseases that vary by year, time of infection, type of virus, susceptibility of the variety, and other factors. Early infection by a strong necrotic strain can reduce the root yield by as much as 60 percent. Reduction of the yield by virus yellows should be regarded as secondary damage by aphids, the main vectors of this disease. Root rot, together with animal pests, reduces the percentage of emerging seedlings to merely 20 to 30 percent. It can be estimated that statewide the reserves inherent in the damage caused by pests are 176,000 tons; and by diseases, 83,000 tons.

Mechanization

In Czechoslovakia nearly all of the sugar-beet acreage is harvested mechanically, with harvesters of domestic make or imported from abroad. Aside from the fact that the available harvesting equipment is not entirely suitable, there is also a shortage of harvesters. As a result, the harvesting of sugar beets is often begun too early, which shortens their growing period and influences unfavorably the sugar content of the beets. Harvesting losses and damage to the beets vary with the type of harvester used and, to a significant extent, also with the quality of the harvested stands. The three-row beet harvester, for rows planted 500 millimeters apart, reduces harvesting losses to approximately 3 percent and increases the proportion of undamaged beets to 60 percent (which is 30 percentage points more than with the KS-6 harvester, and 10 percentage points more than with the 3 VCXA 450 mm beet harvester). The proportion of impurities is 5 percentage points lower with the 3 VCXA than with the KS-6. A combination of a six-row self-propelled beet topper and two 3 VCXA beet harvesters appears to be the most suitable. According to the findings of the sugar refineries in their evaluation of the sugar beets they purchase, the proportion of damaged beets when the sugar beets are harvested with a six-row KS-6 harvester is double in comparison with a 3 VCXA harvester, and the proportion of loose and adhering soil is higher by more than 60 percent on average. From this it follows that the imported six-row beet harvesters are unsuitable for our heavier soils. When a row cleaner is not used, the proportion of organic impurities may even treble, and beet losses in harvesting are higher by 5 percent on average.

It can be said that statewide the agricultural enterprises are not evaluating their harvesting losses systematically, and therefore only educated estimates can

be made of these losses. By this method the sugar-beet losses in Czechoslovakia have been estimated at 1.25 million tons a year. To reduce harvesting losses it is essential to increase the proportion of monogerm varieties, which are better suited for mechanized harvesting. Furthermore, the present 6 OCS beet topplers must be supplemented by row cleaners to clean the rows of topped beets. And it is likewise essential that the manufacturer of the KS-6 beet harvester redesign it so that it will meet all the agrotechnical requirements. There are reserves also in the six-row harvester's cleaning apparatus that causes considerable damage to the beets.

According to the data of the VUZT [Research Institute of Agricultural Machinery] in Repy, the following additions are needed annually to the stock of harvesting machinery: approximately 100 three-row beet topplers, 210 six-row beet topplers, 100 three-row beet harvester, and 210 six-row beet harvesters.

Table 2 shows the estimated savings of human labor that can be achieved if the necessary deliveries of harvesting equipment and of genetically monogerm seed are ensured.

Table 2. Savings of Human Labor at Maximum Mechanization of Sugar-Beet Production

(1) Rok	(2) Úspora [mil.h]	(3) Prům. mzda [Kčs.h ⁻¹]	Hodnota úspor lidské práce (4) [mil Kčs]
1981	1.535	11	16.885
1982	3.071	11	33.781
1983	4.606	11	50.666
1984	6.141	11	67.551
1985	7.877	11	84.447
Celkem (5)	23.030	11	253.330

Key:

- | | |
|--------------------------------|--|
| 1. Year | 4. Value of human labor saved (million |
| 2. Savings (million hectares) | korunas per hectare) |
| 3. Average wages (Kcs/hectare) | 5. Total |

The supply of materials and machinery, and the availability of genetically monogerm seed with a high percentage of emerging seedlings in the field are the basic intensification factors for ensuring the desired agrotechnical level in growing sugar beets with the use of a technology that requires a minimum of manual labor. It can be said that the growing of sugar beets remains a very weak element of crop production, despite some progress in technology, in the organization of production, and in harvesting.

1014

CSO: 2400/146

STRUCTURAL CHANGES IN PHARMACEUTICAL INDUSTRY REPORTED

Budapest FIGYELO in Hungarian 3 Feb 83 p 5

[Article by T.L.: "Organizational Changes in the Pharmaceutical Industry"]

[Text] Pharmaceutical manufacture is a branch of Hungarian industry with great traditions and good prospects. Several circumstances, however, hold back its development.

Similar to other branches, it is an unsolved problem of the industry that as a result of the relative backwardness of intermediary manufacture the pharmaceutical industry is forced, to a large extent, to import the materials needed for its activity--primarily importing them from the free exchange relationship.

Another problem is caused by the fact that the number of original, competitive pharmaceuticals, not manufactured elsewhere in the world, is still insufficient --although the number is increasing. One reason for this was the inadequate coordination of the activities of foreign trade and industry and of the research and development institutions and the enterprises.

In the opinion of pharmaceutical industry experts one way to improve world market competitiveness is to increase interest in cooperation and to join up the links of the innovation chain, artificially sundered earlier.

In accordance with a Council of Ministers resolution establishing a central development program for pharmaceutical, crop protection materials and intermediary manufacture the pharmaceutical factories recently began a transformation of the organization of the pharmaceutical industry. Two essential measures have been taken. One was that as of 1 January 1982 the pharmaceutical factories modified the bye-laws of the Hungarian Pharmaceutical Industry Association (MGYE), adjusting them to the domestic and foreign economic requirements.

The other step was the transformation, as of 1 July 1982, of the research institutes into a joint enterprise, integrated with foreign trade.

Modifying the association contract of the MGYE expanded its earlier activities in two directions; the execution of tasks connected with the central development program (KFP) must be aided jointly with the KFP office and the coordination of research, production and foreign trade activity must be improved. The director's council of the association is the organ guiding these activities.

A colleague of our journal talked with Dr. Edit Varga, director of the Kobanya Pharmaceutical Factory and present chairman of the director's council of the MGYE, and asked: "To what extent do the changes serve to improve the competitiveness of the pharmaceutical industry?"

[Answer] Even previously a number of the pharmaceutical industry and medicinal plant research institutes signed contracts with the pharmaceutical factories and did research for them. Their activity contributed considerably to the achievements of the industry. At the same time, the institutes also had agreements with the ministry guiding the branch and with the OMFb [National Technical Development Committee]. In general they undertook themes initiated by the industrial enterprises. Even previously the pharmaceutical industry took up a significant part of their capacity, but a part of their activity was independent of the needs of the industry and their work did not always correspond to the international requirements.

In order to improve the competitiveness of the pharmaceutical industry enterprises the work of these research institutes must be guided in accordance with the long-range aspirations of the industry, market trends and desires.

The Organic Chemical Industry Research Institute, which became a joint developmental enterprise of the pharmaceutical industry, had done research, to a large extent, for other branches of the chemical industry. The reorganization strengthened the technological developmental base of the pharmaceutical industry, and this is of great significance from the viewpoint of the economicalness of the manufacturing process.

[Question] How do you intend to influence the program of the research institutes?

[Answer] The director's council is the organ for direct guidance of the joint research institutes. In professional respects the research council of the MGYE will review the research plans and ideas of the institutes, primarily in regard to how they correspond to the needs of the industry and to the international requirements. The research council, a professional organization of the director's council of the association, will also see to coordination of research in the institutes and at the enterprises and coordination of planned license purchases, eliminating all parallelism.

It may happen that several pharmaceutical factories will finance jointly some research theme. But this is not yet characteristic at present.

[Question] Does the fact that the research institute organization now belongs to the six pharmaceutical factories, and not to the ministry, aid the concentration of research: does it aid better cooperation?

[Answer] The goal of the pharmaceutical industry is to create new medicines valuable from the viewpoint of therapy which can be realized industrially, the economical manufacture of medicines meeting international requirements.

Further longitudinal information on the research activities at sites is required. The information on a testing site collected and, together, it is possible to have more contact, on the basis of an appropriate strategy. For example, the tests needed to start selling a new test for the diagnosis of a heart failure, and so on, by themselves. In addition, tests at a high level requires attitudinal changes corresponding to the standards and requires an improvement in the instrumentation level at the research sites.

the manufacturing and trading enterprises the masters of pharmaceutical industry, institution, placement of what part of the research is being done (inside or outside the enterprise, does not reduce the role of the research institution. Only the institution, enterprise can oversee, coordinate and guide the research of pharmaceuticals, only the industrial enterprise can carry out the research work; the manufacturing enterprise and scientific institution for the chemical and medical tests preceding registration--where the research is done, it is clear, requires different methods.

[Question] How does the change in the pharmaceutical industry foreign trade organization modify the division of labor between industry and foreign trade?

[Answer] After being divested of non-pharmaceutical industry activity the transformed Medimpex, and the Pharmatrade Foreign Trade Enterprise under the direct supervision of the pharmaceutical factories and the Ministry of Foreign Trade (with the task of exporting and importing medicinal plants, etc.), will conduct its activity as a joint enterprise, and the activity will be limited to conducting trade connected with pharmaceuticals.

What is new is that the factories have received foreign trade rights to buy and sell technical-scientific achievements. Naturally, in the future also Medimpex can be entrusted with such tasks. The fact is that even in the past the factories took care of technical-scientific activity abroad, but they did not have the right to do so and this made the conduct of business clumsy.

[Question] How do you intend to improve the common interest of the pharmaceutical factories and of Medimpex, which will continue to conduct trade?

[Answer] We are now working on the practical realization of ideas pertaining to this. It is also important from this viewpoint that one of the deputy directors of the foreign trade enterprise represent industry. This will aid the integration of industrial and foreign trade activity. It is to be hoped that all these changes will help to improve the international competitiveness of the domestic pharmaceutical industry.

[A graph accompanying the article is titled: "Development of Gross Production on the basis of comparable prices, preceding year equals 100 percent." The 1979 values are: 106.1 for the chemical industry, 105.6 for the pharmaceutical industry and 103.0 for socialist industry. The 1980 values are: 97.8 for the chemical industry, 99.2 for the pharmaceutical industry and 97.9 for socialist industry. The 1981 values are: 103.1 for the chemical industry, 112.4 for the pharmaceutical industry and 102.8 for socialist industry.]

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SO: 25090102

MINISTER, OTHER OFFICIALS DISCUSS AGRICULTURE, FOOD

Press Spokesman--1983 Plans

Warsaw RZECZPOSPOLITA in Polish 10 Jan 83 p 5

[Article by Hynryk Piekut, press spokesman, Ministry of Agriculture and Food Economy: "Time-Period 1983--Increase in Agricultural Production is our Task"]

[Text] The current situation concerning animal production is very difficult. It is caused by problems with fodder, which in turn are caused by the drought in the summer and the fall of 1982 and the necessity of limiting the imports of grain and fodders. To alleviate this situation the Ministry of Agriculture and Food Economy adopted (at the end of 1982) several short-term decisions. Their objective is to increase fodder assistance to hogs and cattle breeders.

It is expected that in 1983 the current system of fodder-supply based on state resources will be improved. However, this will depend on the import capacity of the country and the speed of grain procurement, which has varied in different regions of the country. Only about 50 percent of procurement has been accomplished at the end of the last year.

In order to achieve a greater procurement assurance of basic agricultural products and improve the rate of the deliveries, the ministry plans to present its proposals concerning the principles of structuring agricultural products. It is assumed that new principles of contracting for animal products will go into effect after the first half of 1983. Contracting for crop products for the 1984 harvest will be also conducted according to the new principles. The contracting principles will be uniform for both private and collective farms. Contractual agreements will assure that producers are supplied the basic means of production.

It is possible that the new system of contracting for agricultural products will find its way to the Sejm. Opinions are expressed that the Sejm should adopt a separate resolution pertaining to contracting for agricultural products.

The speed of procurement depends to a considerable degree on the prices offered by state and collective organizations dealing in procurement.

Relations between prices of individual products also are important. Already in the end of 1982 the ministry began work on proposals for new price relations between agricultural products. In 1983 work will continue so needed changes in procurement prices of agricultural products will be ready for the beginning of the new fiscal year starting for agriculture on 1 July 1983.

The ways of supplying farmers in sowing and breeding materials will also improve. Sowing seed and spring grains will probably be distributed according to principles different from those according to which the sowing material for winter grains was distributed. A disposition of the minister to this effect is expected.

It is expected that during the next few months the management and leadership of the ministry will evaluate the functioning of the principles of the economic reform concerning agriculture and agricultural food industry. These issues will be examined in many dimensions to insure its functioning is in accord with the principles of the reform, and with the principle of uniform treatment of all sectors of agriculture. The growth of agricultural production and delivery rate of means of production to agriculture and the food economy will also be assured.

The acceleration of land-reclamation works, which have slowed down during the last few years, will also be of great significance. Under conditions of the economic reform it is necessary to create economic mechanisms that will cause both strengthening of the cadre, and improvement in the equipment of land-reclamation enterprises and enterprises supplying water to rural areas. The effects of the incentives created will be analyzed by the ministry, and the economic mechanisms applied will be corrected on that basis. At the same time, the ministry proposes that the Council of Ministers review the draft of changes of the "Water Law" bill during the next half-year and make changes in the disposition concerning principles for creating and utilizing the water management fund. Furthermore, it is assumed that the draft of changes in the fees for land-reclamation works and equipment conservation that was announced earlier will also be examined.

The program of putting the agricultural law in order that is being implemented includes amending the "Water Law" bill. In the framework of this program work concerning drafts of the following other bills is also being conducted:

1. "Inland Fishing"--the draft of this bill is already finished, and there has been a preliminary clearance of the bill by appropriate ministries. One of the effects of the bill should be better protection of ponds and lakes from poachers;
2. "How to Breed and Raise Farm Animals, and Means of Feeding Them"--this bill is to replace several legal acts that originated as far back as during the period between the wars;
3. "Cattle Raising and Plant Protection"--issues covered by this act include inventions in the area of growing plants;

4. "Protection of Animals, Sanitary-Veterinary Supervision, and State Veterinary Service"--this bill will amend and bring up to date the regulations pertaining to fighting and preventing animal diseases. The regulations have been in effect since 1927. The bill will also amend the entire veterinary supervision of food of animal origin.

In the near future, the Ministry of Agriculture and Food Management plans to issue executive regulations pertaining to the bills adopted recently by the Sejm, including the bill "Socio-Occupational Farmers' Organizations".

In solving many problems of the agricultural policy the Ministry of Agriculture and Food Management cooperates with many other ministries, socio-occupational organizations of farmers, and youth organizations. As a result of this cooperation the following drafts are being developed:

1. Program for improving the safety and hygiene of work in individual farms;
2. program for improving the start-in-life conditions of rural youth;
3. the reform of the property tax;
4. program for farming the PFZ (State Land Fund) through agricultural colonization.

The ministry adhered to the principle of consulting with agricultural producers regarding the more important decisions during the whole last year, which was the year of martial law. For example, regular meetings took place between the minister and the group of permanent consultants representing various sectors, regions of the country, and aspects of agricultural production. Several decisions were made by the ministry in consultation with unions and affiliates of agricultural producers. According to the bill "Socio-Occupational Farmers Organizations" the ministry acquired a new partner. It is the Countrywide Union of Farmers and Agricultural Circles and Organizations. It is expected that the union will also make efforts to ensure that new bills prepared by the ministry will serve the cause of progress in agriculture and consider needs of agricultural producers.

Interview With Minister

Warsaw CHLOPSKA DROGA in Polish 16 Jan 83 p 1,3

[Interview with Jerzy Wojtecki, minister of Agriculture and Food Economy; by Feliks Piotrowski: "Agriculture and Farmers in 1983"]

[Text] [Question] The eyes of our whole society are turned to agriculture. With hope! How are things going in agriculture at the threshold of 1983?

[Answer] The last year's grain and sugar beet crops were not bad. The high content of sugar in beets has allowed us to produce much more sugar than in the previous year, and from a smaller quantity of beets. However, the crops

of potatoes, fodder-root crops, and other fodder crops were much worse. That is why we begin the new year with a fodder deficit. In addition, our agriculture will receive less fodder from abroad than in previous years. This situation is a cause for concern, especially since farmers immediately reacted to the lack of fodder. Already in the fall we observed a drop in the number of gilts, the feeding of gilts, and their sales. The supply of pigs was greater in procurement points. There are also problems with the distribution of breeding cattle. To alleviate the problems we recently made a decision concerning the delivery of fodder for contracting cattle. The fodder earmarked for this should improve the situation and, I hope, halt the decreasing trend in cattle production. In time, we hope for a gradual recovery.

Question] On what kinds of fodder and in what quantity can farmers count for sure?

Answer. In 1983 we would like to continue the delivery of fodder that are currently obligatory, i.e., 40 kg of high-protein fodder and concentrates for contracted porker; 10 to 15 kg of full-portion fodder for 100 liters of milk (depending on the region). Some fodder will also be delivered to private farms for the production of eggs and to those farmers who will be raising larger quantity of brood.

Question] Have distribution standards of fodder used for the production of pigs and broilers been established for small farms?

Answer] The production of broilers in small farms is not the main problem. The main issue is resuming production of chicks within the current organizational setup and with assured fodder deliveries. There is a preliminary decision in this matter, and I believe that the decision concerning the import will soon be made. Thus, we will soon be able to inform farmers officially that during 1983, delivery of those fodders will be implemented. We will also be able to inform them concerning the quantity of fodder delivered. Until this July, deliveries of currently required quantities of fodder for state-contracted hogs for slaughter and milk will continue.

Question] What will the farmer's wife have to do to acquire the right to raise high-protein fodder for her laying hens?

Answer] All she has to do is deliver eggs to the procurement center. This will be different than before, when fodder deliveries were only implemented through the POLDROB (Polish Poultry) enterprise. Currently, fodder deliveries will also be made through the Union of Breeders and Poultry Farmers, and through fodder sale centers managed by gmina cooperatives. We should improve the fodder situation for the farmers' wives that want to produce eggs for sale.

Question] Some say that animal production is not profitable anymore. The question arises, for whom is it not? It is known that for some farmers production is expensive, while for others it is cheap. Who and when produce at greater expense, and whose production is cheap? For whom is production profitable? Who profits, and who loses in the end?

[Answer] I believe that you touched on the important problem. There are heated discussions concerning the question of the farmer's income. Among city dwellers, it is popular to believe that farmers have much money, their income is excessive, and the profitability of the agricultural production is too high. This is what city dwellers think. However, farmers say that profitability has decreased, and more farmers even claim that farming is now unprofitable altogether. What is the truth?

Well, it is true that profitability of animal production has decreased as compared with 1980, when new prices were introduced, and as a result, the income of farmers considerably increased. As we remember, for the first time income parity with those employed outside of agriculture became a fact. However, this year the new, higher prices for animal products procurement and supply were introduced, and incomes of farmers decreased. But this is the case with the whole economy. The real income of workers, clerks, and other occupations decreased. Thus, the burden of coming out of the crisis is divided between cities and rural areas. I would like to emphasize this strongly, because this is the truth. Then what is the profitability of agricultural production? Generally speaking, animal production is profitable. But please note: if the farmer, after calculating outlays, has now for one porker approximately 1200-1700 zlotys, then the farmer who sells 100 porkers does very well! However, the farmer who sells annually 5 to 10 porkers has a very small income. It all depends on what the prime cost of production is in a given farm, and on the size of the farm.

[Question] This shows the relativity of popular opinion. The profitability of animal production is not as high any more as city dwellers think. But it is not unprofitable either.

[Answer] That is right. The Ministry of Finances is currently beginning to work on the draft of a new tax system. So far, their calculations show that out of 2,800,000 farms in the country, about 60,000 farms have a net income equalling only 500,000 zlotys annually. This is a very small number of farms, compared with the great number of farmers in the country. But, going back to the question of profitability, the farmer who produces, e.g. milk, on the basis of his own high-quality fodder, feeds his cows reasonably well. His production costs are low and he produces milk cheaply. He finds the price he currently gets for 1 liter of milk attractive. For him milk production is profitable. This is the case with most of the farmers in the country.

Other sectors of the animal production should also try to increase profitability by decreasing prime production costs. Whoever can accomplish this does well even today. The problem is in more farmers being aware of this.

[Question] Then, considering all that was said above, one might say that the farmer who gets his animal production, his gilts and cows, through the crisis, will have the greatest gain, because he will maintain the potential of his flock.

[Answer] This is the heart of the matter. I believe that the farmer who maintains his number of gilts and will have piglets in the spring, will greatly profit from it. This is because I am convinced that the price of piglets and boar's cubs will be very high in the spring. One farmer said to me: "I do things differently than others. I put in 6 additional gilts. I will have piglets in the spring, and I believe that I will profit from it." I also believe that.

[Question] What will, what should encourage farmers to increase both animal and crop production in 1983?

[Answer] The first factor encouraging the farmer to increase production of goods, and sell them to the state procurement centers is the farmers' insurance bill. The amount of retirement pension will continue to be linked to delivery of goods to the state market. We introduced new principles for concluding state contracts. The farmer will be able to get higher prices for contracted products. He will also receive the means of production.

Besides products such as fertilizers and coal, the farmer will receive pesticides and other products linked to the contract. Furthermore, we are preparing a new draft of the state-contracts bill. We are introducing the full responsibility of both parties, the farmer and the contracting institution, for carrying out the contractual agreement.

Already in 1983 we would like to link the food industry with farms, i.e. with the raw-materials base, to a greater degree than it has been up to now. For example, in 1983 the meat industry will assume the burden of contracting. The industry itself will deal with the farmer and settle on principles and dates of deliveries.

[Question] Will this be similar to the situation with the sugar and the potato industries?

[Answer] That is right. However, even those industries will go further. We would like to develop specialized consulting in such areas as fattening pigs, cultivating sugar beets, potatoes, and vegetables and the production of fruit and milk.

The third factor that should encourage farmers to deal with the state-run market is the delivery of production means, i.e. tractors and other machinery difficult to obtain. The first to receive allotments of machinery and other production means will be the farmers who deal with the state-run market. This year we are introducing something that we had given up (at the suggestion of farmers, I should add)--the subsidy for grain sowing material. This will take place in the spring. The farmer will pay 350 zlotys less than before for 100 kg of grain sowing material. This is the extra amount the state will pay for each quintal. In the future, we want to introduce this subsidy for ripe potatoes. We will also discuss with appropriate farmer unions whether such subsidies should also be introduced concerning the materials for breeding animals (gilts, heifers that are near to calving, young heifers, etc.).

[Question] Can we now say that during the next year the supplying of all auxiliary equipment will improve?

[Answer] If industry implements all the 1983 plan, there should be a significant improvement in the availability of simple tools. Concerning tools and machinery used with horses, there should also be a substantial improvement. There should be an increase in the supply of fertilizers and agents for conserving and pickling vegetables. There will be more pesticides, pesticides, including imported pesticides. There are funds set aside for this. There will be significant progress in 1983 concerning these products. Of course, we will not take care of everything. For example, I know that there will be a shortage of tires and batteries. However, unlike during the last year, there will be no shortage of plowshares and chains.

[Question] Of course, the production means do not consist only of material things. They include the climate, and the attitude that fosters the release of initiative in agriculture. In the meantime, farmers are bothered by the lack of guarantees that private farms are a permanent feature of our system. This causes a lack of confidence concerning the intentions of the authorities.

[Answer] The guidelines of the Party Political Bureau and the ZSL Supreme Committee defined agricultural policy directions. We said what we plan to do to bring stability to rural areas and make farming perspectives clear to every farmer. Farmers believed the intentions of the authorities as expressed in the guidelines. They believed that those were not just words on paper.

The bills passed by the Sejm confirm this statement. They are of great importance to farmers. These bills are: "Protection of Arable Lands" and "Civil Law". The second bill contains the statement which legally confirms the claims found in the guidelines, to the effect that private farms are a permanent feature of our socialist economy.

Recently the Sejm passed a very important bill: "Insurance for Farmers and Their Families". I realize that farmers expected more from this bill. They expected full parity in social benefits with the population employed in the state economy. Unfortunately, current economic problems make it impossible. However, the bill is a step, a big step, in this direction. It can be said that all the requirements of the guidelines are satisfied. They are confirmed by the legal documents.

[Question] Then what is the source of distrust? Why does this problem keep coming back?

[Answer] I believe that this matter is coming back today with greater intensity, and is repeated more often than before, because in the past nobody claimed that farmers make too much money. Nobody thought that farmers should pay higher taxes. There used to be no such threats before. There were no suggestions of an increase in the price of production means.

in order to lower farmers' incomes. Today such statements are heard here and there, especially in certain circles. This causes a distrust of the real intentions of the authorities among farmers. They fear that the statement made today concerning their income and taxes will be acted upon, and will hit them in the future with all the bureaucratic strength. They fear that, as a result, their income will decrease, production will cease to be profitable, and young farmers will lose interest in staying in rural areas. I believe that there are the factors causing distrust of agricultural policy. However, there is one more factor, and I find it very difficult to talk about it. It is the deepening antagonism between the city and rural areas. The antagonism concerns mainly the supply of consumer goods of industrial origin. Since their supply in village stores is very inadequate--actually, the goods just are not there--the farmer has to come to the city or town to get them. He is noticed there, and the view is formed: "He has money, he comes to the city and buys out the goods." The farmer hears this. When he returns to his village, he says: "Look what they think about us, now they treat us! They even pushed us out of this store, and they spoke badly of us." This attitude also increases mistrust.

[Question] What should be done to help the farmer strengthen his place in the village? What should be done to prevent the depopulation of rural areas?

Answer We must keep repeating that all the statements made in the guidelines will be implemented. They should be supported by subsequent appropriate laws and documents. We have to divide consumption goods evenly and justly. Today, cities receive more goods than rural areas. We should divide goods according to the number of inhabitants "here" and "there." Furthermore, we should prove that agricultural policy is consistently implemented by the proper supplying of agricultural production means, by implementing land-reclamation investments, by supplying water to rural areas, and by building roads. We should act on all promises of improvement in coming years. Then we will be believed.

And one more thing. It concerns the activities of the lowest management councils. There should be no discrepancy between their words and deeds. This discrepancy happens here and there, and results in a lack of trust in the authorities on the part of farmers.

I think that the development of properly functioning self-governments may do all help in this regard. There is a chance for it to happen. Conferences of agricultural cooperatives "Farmer Self-Help" are taking place. Conferences of "cooperative banks", gardening-beekeeping cooperatives, and other cooperatives will also take place. If supervisory councils are properly assembled, if they fulfill their role, cooperatives will function better and farmers will accept cooperatives as theirs, serving them.

Conditions for success exist also in organizing chapters of the farmers' union, farmers' circles, and organizations. There is a bill to this effect. Why not take advantage of it? Union chapters should be organized in villages, districts, and volvodships. Their position should be strengthened. I believe that integration will be helped by factors which I spoke about, linking

manufacturing industry to agriculture. Industry and its production base should constitute one organism. Working on this relationship will be a significant step forward to bringing agriculture up to date.

Another issue is that of land management. Efforts should be made to make sure that land goes to the best farmers. Farmers should have a say in deciding who gets land. They should be able to ensure that the best get it, and that the decisions are not made arbitrarily, but a specific long-range policy is implemented. So that, for example, a young farmer who today manages 5 hectares will know that "tomorrow" he will take over another 5 hectares after somebody does not have an heir. The young farmer should know it now. Then, while managing his farm now, he will be able to plan for the additional 5 ha.

[Question] During the last few years collective farms have been organized by the authorities. The farms were created by nonfarmers, on lands rented from farmers. This action by outsiders intensified the lack of trust. The reasoning is that if the authorities did it "yesterday", they can do it "tomorrow" someplace else. And anyway, both the integration and regulation of land were not always conducted in the interest of those farmers who own private farms.

[Answer] I would like to emphasize that farmers can choose their own forms of management. They will decide how they want to work today and tomorrow. For example, they may decide that equipment cooperatives should be created. Small-farm owners are encouraged to do this, in order to be able to purchase more machinery. The farmer who owns 2-3 ha is not able to buy a tractor alone. But if he comes to an agreement with three-four neighbors, they will be able to afford it together.

We will support various ways of making the farmer's work easier and helping the farmer get better production results, but it will be up to the farmer to accept this help. We will give our support, but the farmer himself will decide how to proceed, whether he wants to participate in a group of private farms, in a collective farm, or in creating other forms of cooperation. It will depend on farmers who own private farms whether such organizations are created. Nobody else will make the decisions for the farmers.

[Question] The bills that were passed concerning protection of private property will not allow anybody to interfere in these matters.

Interview With Vice Minister

Warsaw EXPRESS WILCZONY in Polish 19 Jan 55 pp 1,4

Interview with Andrzej Fajda, vice minister of agriculture, by Jacek Gajda: "It still is not the way it should be"

[Text] During the past plenary of the ZPS Central Committee and the PSL Committee Executive, we heard Andrzej Fajda, the vice minister of agriculture,

for an interview concerning what we believe to be the most important subject, not only for rural areas and farmers.

[Question] What can you say about the way the idea "industry for agriculture" is being implemented?

[Answer] I know that what I will say is obvious. I believe that some truths should be said over and over again until they reach everybody. The natural production conditions of the Polish agriculture, such as soil and climate, ensure that we can get only limited results, e.g., no more than 13 to 15 quintals of grain per hectare. And during the next few years, in order for us to "feed ourselves", we have to produce as much as 30 quintals of grain from 1 hectare.

To sum up, agriculture is waiting for the support of other sectors of the national economy, and especially from industry. This concerns the delivery of the basic production means: fertilizers, pesticides, mineral and chemical additives to fodders, and technological equipment. Without this help, the continued increase in agricultural production will be only wishful thinking.

Delivery of these items is still insufficient. It is well known that in the developed countries at least 4-5 percent of industrial capacity is used to produce those goods. In Poland, only 4 percent of industrial capacity was used not so long ago. Currently, only a little over 5 percent is used.

I am talking about this because the experience of the postwar period shows that, unfortunately, the amount of delivered production means and the fulfillment of other conditions needed for agricultural development has been generally unsatisfactory.

[Question] One might say that programs for developing agriculture have nothing in common with reality. I think that today--again--a good agricultural program is lost among the multitude of priorities.

[Answer] Your statement is a little too strong, I think, but it is true that there are more and more priorities. Let me finish my previous thought, though.

Agricultural technology is one of the main means of increasing food production. The results of the industrial effort in this area have shown some cause for optimism during the last 2 years. Production of several kinds of equipment has increased. Also, there has been an improvement in the supply of so called "black tools" for farmers. There are more nails, etc. I am pleased to tell you that more than ever state plants, cooperatives, and handicrafts have undertaken the production of agricultural equipment.

[Question] This is true, but axes bend, pitchforks break and bend and when used for the first time, and scythes need to be constantly hammered and sharpened.

[Answer] One may still have many reservations concerning the quality of tools and the equipment. I have a few of those "exhibits" in my closet. The producers of tools and equipment need better quality raw and other materials. Also, this kind of production should always be profitable.

[Question] Then, to whom, specifically, should farmers address their complaints?

[Answer] The supply of such goods as fertilizers, pesticides, tires, rubber goods, and workboots and workclothes is still inadequate in rural areas. Thus, farmers should, first of all, direct their complaints to the chemical industry. For example, in other European countries about 5 kg of pesticides are used per 1 hectare of land, while in Poland only 1.5 kg was used up to 1980, and in 1982 our agriculture received only 0.5 kg per 1 hectare.

But, going back to your previous question, I have to admit that the multitude of priorities always makes it difficult to implement the main objectives. Concerning the machine-building industry, I want to note that, as the evaluation of our ministry shows, it will have good results even in the present situation.

[Question] In the city, our daily concerns revolve more around the production of cars and color television sets than tractors, tires, and other agricultural equipment.

[Answer] Although I have spoken about a noticeable improvement in the supply of agricultural equipment and tools, I do not want you to have an impression that current supply fulfills all the needs of the agriculture. The current fulfillment of supply needs in rural areas equals 40-60 percent concerning machinery and equipment. Thus, in this regard, we are far from perfection. And we could also use more cars, not only lorries and delivery trucks. Farmers need cars, they make the work much easier.

[Question] Tell me please, when will so called "linked sales" be eliminated?

[Answer] Officially, there are no such sales right now.

[Question] ...?!

[Answer] The bill No 229, passed in 1981, introduced the linked sales only for the period of November and December 1981. Thus, since the beginning of 1982 the bill has been outdated. However, with considerable shortages of equipment and other production means, there has to be some form of rationing. It would be nice, of course, if every farmer, either the owner of a private farm or the farmer working on a collective farm, had unlimited access to production means and could efficiently use them. There is also the other side of the issue; the field administration looks for ways to increase the delivery of food to the market.

[Question] Maybe that is why the village continues to hold a grudge against the city and vice versa.

[Answer] There is no need to hold a grudge against anybody. We do not need a new round of discussions about what comes first, the chicken or the egg. These discussions can never be settled. The main objective here is the best possible implementation of the tasks faced by both agriculture and

industry. We should remember, however--and I have already spoken about it--that agriculture, despite its special qualities, is the branch of the national economy that needs to have available the means that it cannot produce by itself, besides the need for increased work productivity, better organization, and the implementation of modern cultivation technologies. If both agriculture and industry understand their tasks, we will stop talking about the conflict. This happens to be the leitmotif of the short- and long-range development program for agriculture.

[Question] What do you personally expect from the joint plenum of the Central Committee and the Supreme Committee?

[Answer] More than anything else, I hope for the creation of strong sociopolitical bases for implementing this program.

Food Industry Problems

Warsaw RZECZPOSPOLITA in Polish 19 Jan 83 p 3

[Interview with Stanislaw Szczepanski, undersecretary of state, Ministry of Agriculture and Food Economy, by Edmund Szot]

[Text] [Question] During the period from 1980 to 1982, there was a significant increase in the importance of the food economy, of which food and agricultural industry is a very important element. What can you say about this industry's situation during that period?

[Answer] As you said, during the period from 1980 to 1982 the food economy, including food and agricultural industry, found itself at the center of the public attention. This is a result of the role the industry plays in the framework of the economy. The production generated by the food industry constitutes one-fifth of the industrial production of the country. The value of delivered food products, 80-85 percent of which are produced by the food industry for the domestic market, equals 45 percent of all market production. Currently the share of the food industry in exports to the Council of Europe area countries equals about 10 percent.

The role of the food industry can be viewed from yet another point of view: whether its production level is high or low, it manufactures 88-90 percent of all agricultural goods. Another determinant of the role the food industry plays can be found in its links with branches of the economy other than agriculture. They include transportation, which has to move 190 million tons of goods for the food industry; the machine-building industry, which delivers to food industry branches technological resources; and chemical production which is a similar process.

I must say that during the period from 1980 to 1982, the food industry, which played an increasingly important role in solving the food shortage problem in the country, was often given priority over other areas of the economy. The raw materials import continued at the same level for many branches of the food industry. Thus, many of them continue implementing

their investments in order to provide raw materials for the food industry. Also, decisions having economic impact were made in agriculture, and we had a priority concerning the access to transportation means.

[Question] What were the results of integrating the food and agricultural industry with agriculture at the ministry level, and is it sufficiently reflected in the consolidation of the ties between the food-industry plants and their raw-materials facilities?

[Answer] The integration represents a return to the sources. For many branches of the food industry, such as the sugar, meat, and tobacco industries, the ties between plants and raw-materials facilities continued. During the 1970's, when the food industry's dependence on foreign deliveries increased, there was a regression in this area. Currently we are trying to reestablish those natural ties. We are strengthening raw-materials services, we are searching for various forms of assistance for producers of agricultural goods, and we see the need for improving services, e.g. in the area of receiving raw materials. To sum up, we are trying to integrate farms with food industry plants. To put it simply, those who do not take care of their own facilities and do not try to develop them, will not be guaranteed deliveries by the central authority.

[Question] What are the causes of the main problems faced by the food and agricultural industry, and how does the ministry plan to overcome them?

[Answer] If this question was directed to the employees, they would answer that the current technological level of our processing is inadequate. Our first problem is so called "shallow processing" of those raw materials that could be available in large quantities, e.g. potatoes. For example, we satisfy only 50 percent of our country's need for glucose. The situation is similar concerning the production of other starch derivatives. The meat industry also fully utilizes its capability of producing various food and technological products only in some plants. Processing based on sugar is also limited.

However, we should also remember that technological progress is very rapid in the food industry area. New technologies constantly present new ways of processing. Our second problem is our inability to respond in cases of larger supply of goods, and many campaigns that take too long. That is caused by inadequate potential in such areas as the sugar and potato processing industries, and in turnovers of meat and cattle for slaughter. As a result, there is a decrease in the quantity of raw materials and goods. Because of the shortage of either tin or thermo-shrinkable foil, some production lines stand idle. The shortage of freezing surfaces also leads to many losses. The public has one word for all this: Waste.

A considerable demand for heat and energy is our next problem. Excessive use of water and energy and excessive drainage take place in many food industry branches.

Another of our problems is the limited capacity for gathering development resources independently. Since 15 percent of all industrial plants in Poland are food industry plants, we would prefer if the resources for their development came from the central budget. Since the majority of this industry's products are sold, and rightly so, according to official prices, the maneuvering capacity of enterprises is limited. We try to solve these problems by making efforts to change some aspects of the economic-financial system. We hope that this problem will be addressed during the joint session of the plenum of the PZPR Central Committee and the ZSL Supreme Committee.

[Question] Many branches of the food and agricultural industry receive considerable subsidies from the state budget. Are the subsidies justified in all the cases? What is the cost of the turnover in agricultural raw materials and processing?

[Answer] The cost of raw materials has the dominant position in the food and agricultural industry. Altogether, they equal from 60 to over 80 percent of all costs. If you add to it the cost of energy and materials, you will see that our labor costs are insignificant. This shows that in order to lower costs the management of raw materials should be addressed, i.e. the turnover and storage of raw materials.

The need for subsidies for the food and agricultural industry is mainly caused by sale prices that are a result of officially established retail prices. These prices are lower than production costs, e.g., for the dairy, grain-milling, and (partially) meat industries. Altogether, subsidies for goods produced by the food and agricultural industry will equal about 220 billion zlotys.

We should also admit that the production cost is often a result of low management effectiveness, caused by such factors as too much time taken transporting goods, losses in storage and processing, etc. This often constitutes a significant percentage of costs. And by lowering costs we could acquire resources for such objectives as plant development.

Turnover costs vary. We used to study costs of procurement per 1 quintal of grain. In the Poznan Voivodship it was three times lower than in Krakow Voivodship. This is caused by the management structure, the organization of procurement centers, by the cost of so called "chodakowanie", i.e. searches for a contracting party, etc. This is why the specialization of farms is so important. It is not a question of introducing monocultures but of limiting the directions of production to, e.g., beets--milk, grain--potatoes--cattle, grains--potatoes, etc. This is important even in small farms. This requires from the food industry an integrated functioning of many branches that should take full advantage of the production capability of their raw-materials facilities. The food industry cannot base its operations on agricultural raw materials obtained from the other side of the ocean.

We are also considering greater integration of the food and agricultural sector with similar organizations of our neighbors. It will be easier to tackle problems together. We will lower production costs of specialized equipment for a branch of the economy that requires much care.

Meat, Egg Supply

Warsaw RZECZPOSPOLITA in Polish 22 Dec 82 pp 3,8

[Interview with Dr. Hab Henryk Burczyk, undersecretary of the Ministry of Agriculture and Food Industry, by Ludwik Staszynski]

[Text] [Question] Consumers are concerned with the difficult situation in animal production. Is there really a threat of a new meat crisis in the spring of 1983?

[Answer] Breeding has to be based mainly on the domestic fodder resources.

Unfortunately, the fodder situation is very difficult this year. We expect that the winter resources of roughage and sappy fodder for cattle are on the average 15 percent lower than in 1981, and the quantity of potatoes used as fodder (mainly for pigs) is about 25 percent lower. Although the grain crop is 1.5 million tons higher, the procurement growth rate will be higher than the crop growth rate, as compared with the last year, even if the procurement plan is not fully implemented. Thus, there will be less fodder grain available.

The delivery of concentrates from state resources is planned at 4.4 million tons in 1982-83 fiscal year, depending on the implementation of the planned import of fodder and grain raw materials. Last fiscal year, fodder deliveries used for supplying agriculture equalled over 4.9 million tons, and there were years when state subsidies equalled 9.0 million tons. This shows that of all the main elements of the country's fodder balance, the situation is worse than last year.

Symptoms of the trend to breed less hogs were already observed in the second quarter of this year. At that time breeding hogs should have been supported on fodder provided by the state. In the meantime, the refusal of capitalist countries to allow us to purchase fodder and grain on credit forced us to greatly limit--practically eliminate--the production of chickens for slaughter and to halt fodder assistance to producers of cattle and hogs for slaughter and milk. The fodder situation deteriorated even more due to soil drought, especially in the regions where hogs for slaughter are produced. Under these circumstances we expected a substantial drop in meat procurement already in the 1983 draft plan. The present breeding situation shows that we were correct.

[Question] Does this mean a decrease in the standard of the allotment of meat and meat products within the rationing system?

[Answer] We are doing everything we can in order to avoid it. I think that in 1983 we will be able to maintain this year's level of rationed meat supply. To this end, meat resources that we were able to create this year will be used. Additional imports of either meat or fodder are also expected.

However, it should be clearly stated that under the present crisis conditions, stimulating meat production exclusively by grain and fodder imports cannot be considered.

In the first place we have to ensure the supply of bread and grain products for the population. That is why we are very serious about implementing the grain procurement plan. The principles of fodder sale are also based on satisfying this need. Furthermore, imported grain is earmarked mainly for milling as well. Beginning in December, the Polish people will consume grain products consisting almost entirely of imports.

[Question] Generally farmers complain that breeding is less profitable, more than about the fodder shortage. This concerns mainly hog breeding. What can you say about it?

[Answer] The fodder crop situation is varied. There are regions where the drought did not do much damage. However, in some areas the fodder situation is very serious and the fodder shortage has also affected the profitability of production. Large crops of our own cheap high-quality fodder constitute half the success of the animal production. However, many farmers still base their production on expensive and hard-to-obtain ready-made fodder.

The level of profitability depends also on how it is calculated. The production of hogs for slaughter cannot be calculated only on free-market prices of grain, fodder, potatoes, and piglets. Farmers organize production with their own fodder and piglets, and not those bought at the free market. That is why the calculation should be based on production cost per unit rather than on free-market prices.

Besides the kind of fodder used in production, the profitability level is determined by production rate. The greater the production, the lower the costs. Thus, profitability may improve not only through higher procurement prices of which farmers often speak, but also through searching for ways to lower the production cost of cattle for slaughter.

The general drop in incentives in agriculture, caused by continued drastic shortages of goods in the rural market, has a considerable influence on meat production. In this situation our ministry believes that short-range changes in procurement prices would not be advantageous either to agriculture or to the national economy. I believe that, eventually, changes may take place in procurement prices within the comprehensive framework of changes in prices of all basic agricultural products, and only at the threshold of the new fiscal year.

[Question] What do you think about the present state of the animal production in collective farms?

[Answer] For the last 2 years collective farms have tried to adjust their agricultural production structure to the new economic conditions defined by the economic reform. In animal production, this involved adjusting the number of cattle and hogs to available fodder resources. At the same time,

collective farms have been decreasing the share of grain in their feed dosages. There are also changes in the structure of sowing, aimed at increasing sowing of grains.

As a result of these processes, the stock of cattle decreased in collective farms in 1982 by 21 percent compared with 1980 (about 0.7 million). The hog stock decreased by 20 percent (1.2 million). However, in collective farms the stock of hogs decreased only by 14 percent. In the third quarter of this year the decreasing trend in the hog stock was halted, and October even showed a slight increase. In the first half of the year we also observed a tendency of decreasing cattle breeding in this sector. Unfortunately, the very bad roughage situation in northwestern Poland, where the greatest number of collective farms is concentrated, caused further limitations of the animal stock.

However, we expect that in the near future, the hog stock in the state-controlled economy will stabilize on a slightly higher level than this year, and there will be a partial rebuilding of cattle stock as the fodder crops increase and roughage management improves.

We also started to cultivate empty industrial farms using such measures as the increase in the share of domestic fodders, and limiting the share of grains in the feed dosages for cattle and hogs.

[Question] Pork constitutes more than one-half of the meat in the market. What measures have been taken by the ministry in order to halt the decreasing trend in hog breeding?

[Answer] We do not have much room for maneuvering, but we are trying to take advantage of all opportunities. We assigned a certain quantity of fodder to pig farms belonging to the meat industry enterprises, in order to organize the piglet procurement in the regions with the lowest prices.

The enterprises also started to contract for piglets and young boars needed for spring deliveries next year, when a serious shortage of piglets is expected. Some fodder assistance will also be given to gilt producers.

In order to improve the fodder situation and counter the decrease in the hog and milk production, effective 1 December 1983 we introduced sales of high-protein concentrates equalling 40 kg for the delivery of every contracted porker, and 5-15 kg of concentrate for every 100 liters of milk sold to a creamery.

[Question] Why is it so difficult to get eggs? After all, in the past there were always plenty of them. Why is the egg procurement from small producers so small?

[Answer] In the past we tried to develop the egg procurement on the basis of state contracts with poultry farms which conducted breeding using fodder

from state resources. Procurement from small producers was definitely decreasing. In 1981 the share of eggs from farm production equalled about 73 percent of general procurement.

This year, it was necessary to limit the fodder delivery to poultry farms. At the same time, contract prices for eggs were introduced both in procurement and retail. This destroyed the existing system of egg procurement and turnover. Organizationally, poultry enterprises were not prepared for the new trade conditions.

At present we are working on the reorganization of egg procurement and production. We want to have the kind of the arrangement that would allow for procurement to be conducted by various economic organizations. Producers would be able to sell eggs directly to retailers. It is also expected that small producers will be assisted with high-protein concentrates. These actions should help solve the problems of the egg market in the near future.

9959

CSO: 2600/326

HIGH PRICE INCREASES, LIVING STANDARD ASSESSED

Reduced Purchasing Power

Warsaw POLITYKA in Polish 29 Jan 83 pp 1, 5

Article by Zygmunt Szelliga: "Prices After a Year": passages enclosed in slantlines printed in boldface in the source

Text A year has passed since the largest price hikes in the history of the PRL, which cut in half the purchasing power of the zloty and markedly reduced the living standards of an overwhelming majority of citizens. This last statement requires some commentary. First of all, there exists the obvious and understandable--especially psychologically--difference between the objective statistical measure of the 25-30 percent decline in the average living standards (such is the outcome of the ratio of new prices and living costs to the new wage and income level) and the subjective feeling of consumers that the decline has been much greater.

I am writing on this topic because certain politicians and economists are prone to belittle this difference in appraisals, ascribing it solely to the insufficient economic education of the public. In reality, the matter is much more complex. Statistics operates with the measure of current (annual, quarterly, monthly) incomes and expenditures. But the feelings of the public are largely influenced by the decline in the real purchasing power of currency and the loss in the value of accumulated cash resources and savings that sometimes represent many years of thrift. Seen from this standpoint, the decline in living standards is subjectively, i.e., greater than shown by statistics.

To be sure, as had been pointed out a year ago in price discussions, living standards even then were a kind of fiction; money may have been worth twice as much then as it is now, but that value was purely theoretical, since even then nearly nothing could be bought with it. Today the situation in this respect is much better, although still far from normal. Most of the goods in demand at the moment are not available on the market in quantities meeting the demand.

It is also worth noting that the government's price policy has been ineffective, and the inflationary process has continued to grow. The situation is still very serious.

price shock had been not so much accepted as received with resignation, but also with the hope that, even if it will not fill store shelves, it would tangibly reduce the daily vexations of waiting in lines, rationing of goods and feverish search for goods. But since this has not happened, the current skepticism as to the effectiveness of this kind of "shock cures for prices" is understandable. But few are prone to consider what would the state of our economy have been today, along with the market and daily life, without that price shock.

We have been keeping track of the price shock in our newspaper all year long. We have been describing how several families representing extremely different living standards, from an extremely low one to a fairly high one, adapted themselves to the new conditions. We have also often been discussing the problems of the economic and social consequences of the new price system. In addition we have been presenting diametrically opposite views of the price reform--most recently in the article by Prof. Leon Podkaminer (POLITYKA No 3). We have repeatedly drawn attention to the fact, underrated by the public, that prices are essentially a resultant only of the entire economic situation of the country. That is, the effects of price hikes will be primarily decided by production and supply on the one hand and incomes and demand on the other.

Now that a year has passed since the price shock we will tentatively draw up a more general assessment of that shock. On p. 4 of this issue the effects of the price reform are discussed by Prof. Zdzislaw Krasinski, the Minister of Prices; Prof. Zdzislaw Sadowski, the deputy government plenipotentiary for the economic reform; and Prof. Andrzej Tymowski, an economist and sociologist. Witold Jawlowski presents the opinions of the employees of the WEDEL Chocolate Factory as expressed at last week's meeting between the representatives of the work force and Minister Professor Z. Krasinski. We also recollect last month's assessments of price hikes.

Assessments of the effects of the price reform of course vary broadly depending on the variations applied. Now that a year has passed the most important thing that the economy and society--are facing the dramatic dilemma: what next? After all, it cannot be doubted by anyone that a major prerequisite for the recovery of the economy, the surmounting of the crisis and the proper functioning of the new economic system is the restoration of the elementary market equilibrium. So far this could not be accomplished. As to some consequences, the initial gap, that is, the difference between monetary volume and the quantity of market goods, still persists, month after month. Equivalently, that is, in anti-economic system of meeting needs, has to be maintained. In waiting lines continue to plague public life; even though they are not as long as they had been a year ago, they still devour valuable time and energy.

Consequently, all this the unusually difficult and nearly insurmountable task of restoring equilibrium and linking the two components of the term "market equilibrium". The only option appears obvious: the best solution would be to improve the balance of supply and demand by the current purchasing power of the population. In other words, the crisis still persists and so remains the situation. There can be any radical improvements in the state of the economy, in general, and in particular, that is more, the crisis in respect

improvements in production and supplies is seriously threatened. The warm winter pleases, to be sure, the urban population and conserves fuel and energy, but it also bids us to be greatly concerned about the coming harvests and agricultural production. Neither are there any visible chances of a coming market improvement in the supplies of raw materials and semifinished products, both imported and domestic--with the exception of coal, energy and certain other products--to industry.

Thus the social option has to be "suspended." There remains the economic option. Since supply cannot be increased, demand has to be reduced. There are two "classical" ways of doing so. One is a reduction, or at least a "freeze," of nominal income and the other a reduction of real income by means of price increases.

Realistically speaking, it must be acknowledged that 'in practice it is not feasible to reduce or even freeze nominal incomes.' First, because their level this year has been decisively influenced by last year's primarily socially oriented decisions. There is no way of going back on these decisions. Secondly, all administrative decisions concerning reductions or even freezing of nominal incomes would be in glaring conflict with the principles of the new economic system. They would entail a drastic curtailment of the scope of the sovereign decisions of autonomous economic units ('enterprises'). Consider that that autonomy is anyway markedly restricted by the crisis conditions of the economy. Any further step would place a question mark over the entire economic reform.

Incidentally, it is worth noting that this whole situation, and especially the inflationary overhang that is now reappearing is even now providing numerous enemies of the economic reform with the ammunition for "burdening precisely the reform with the 'responsibility' for the new inflationary zap and the low effectiveness of the price increases." This issue requires a separate detailed analysis, but there are many examples proving that, in addition to the aforementioned social factor, the excessive flow of money in circulation is rather the more to various inconsistencies of the reform and deviations from its principles than to its utilization with the object of raising payments.

If the reasoning presented above is logical, as I see it personally, then at the anniversary of the price shock, the next unpleasant step in the same direction ought to be very seriously considered.

There is no surprise. For several months now--in measure with the crystallization of elements of the economic plan for this year--the government has been announcing the inevitability of a 10-15 percent increase in prices, but there has been no search of other means that in a year's inflation may reach 10-15 percent. But general statements of intention or warnings are one thing and the specific proposals already recently submitted for discussion by ministries and the masses are another.

It is a pity that the question of wages has already been settled. The government has decided to raise wages 10-15 percent. The government is aware that if it does not raise wages, and the price levels are to be held in perspective, it will have to raise taxes. But the government is not willing to do this. It is aware that it will have to raise taxes, but it is not willing to do this. It is aware that it will have to raise taxes, but it is not willing to do this.

normal market'. This would require the simultaneous raising of the prices of other goods at present is actually being rationed as a substitute for alcohol.

My view is that all the increases in official and regulated prices this year should at the same time provide an occasion for the complete recovery of the market. Last years' experience unambiguously confirms the economic truth that equilibrium prices are a prerequisite for a healthy market. It appears that during and at the beginning of the period of preparations for the price shock we all cherished many varied illusions concerning prices based on production costs. The economists and, particularly, the broad public opinion widely subscribe to the myth that 'a commodity should cost as much as it cost to produce, plus a 'suitable' profit percentage'. I myself sometimes am prone to this myth. Today I am convinced that we will not make the economy healthy again until the just economic principle that 'a commodity should cost as much as people are willing to pay for it' becomes mandatory.

For this reason, I personally do not object to the proposals of Minister Krasinski as regards alcohol, coffee, cigarettes and gasoline. As regards the market as a whole, in the present economic crisis and given the considerable shortages of various goods, any liberalization prices can of a certainty be neither proposed nor raised. But alcohol, cigarettes, coffee and gasoline are not necessities. I myself drink, smoke, write, and drink at least a mug of coffee daily. Thus Prof. Krasinski's suggestions affect me particularly. But, first, the elasticity of the consumption of these goods is considerable. With the exception of alcohol, anyone can drink either less or more or not at all, and this also applies to smoking, coffee intake, and the consumption of gasoline. Secondly, free choice in the shaping of a personal model of consumption are possible only in the presence of a normal market, without rationing.

Therefore, in addition to the price increases, but at the same time also in the absence of rationing and normalizing of the market.

The Ministry for housing the rents of state-controlled and plant-operated apartment houses is also being raised. The reasoning in this respect is chiefly based on operational facts. I believe that another argument is much more important: that is, the fact that the rent is still a reason for the difference between the high cost of state-controlled apartments and the extremely high operating costs of private houses, especially, on the one hand, and the ridiculously low rents for state-controlled and plant-operated apartments and small private houses. The state authorities, however, in this situation, face the horrendous devastation of the existing housing stock and a enormously increasing housing shortage.

But, the proposals of Prof. Krasinski are logical. In terms of costs the state-controlled apartments are at the most financially economical or profitable. The state-owned apartments have been arranged for public discussion. The state-owned apartments, however, are not a market, and it is not possible to compare them with the market. The state-owned apartments are not a market, and it is not possible to compare them with the market. The state-owned apartments are not a market, and it is not possible to compare them with the market.

Opinion Poll on Prices

Warsaw PUBLISHED in Polish 29 Jan 82 p 4

[Assigned article: "Opinions A Year Ago"]

[Text] Two weeks after the price increases the CBOPISP [expansion unknown] conducted a public attitude and opinion poll. The responses were: very good, 21 percent; good, 11 percent; rather bad, 51 percent; bad or very bad, 27 percent; and undecided, 11 percent.

Negative responses most often came from unskilled workers 91 percent, skilled and white-collar workers 89 percent, and farmers 72 percent. In extreme pessimism distinguished young people 25-29 years old. The bad moods were chiefly attributed to price increases, rise in living costs, lack of money.

The responses to the question, "Will the material living standards of the population change in the next 3 years?" were as follows:

- They will improve--32 percent;
- Things will be about the same--31 percent;
- Things will get worse--39 percent;
- I don't know--18 percent.

The following purposes of the price increases were named: stabilization of the market; halting of hoarding; shortening of storefront queues. Next to be named were the need for realistic prices--prices have been too long kept at an artificial level. Fifteen percent mentioned the need to drain excess money; 12 percent, the need to stop inflation; and 11 percent, the financial strengthening of the State Treasury.

What will be the effects of the increases? Forty-five percent of the respondents pointed exclusively to negative effects; 19 percent exclusively to positive ones; 12 percent to both positive and negative ones; and 24 percent had no comment on this question. Every fifth response on the topic of negative consequences of the increases was more or less as follows: "This means poverty, the threat of starvation, there will be nothing to live on." Fifteen percent are afraid of their children's future, disappointment and feelings of resistance.

How will the price increases affect living standards? The pessimists say: They will deteriorate; and that living standards will decrease. They will rise if all the suggestions are carried out. They will result in complete liquidation of the living standards of 10 percent.

Those who are optimistic say: price increases will improve living standards. They will rise if all the suggestions are carried out. They will result in complete liquidation of the living standards of 10 percent.

Will the price increases reduce or augment social differences in living standards? "Nothing will change," 46 percent responded. "The differences among people will increase," 16 percent declared.

Wages Outstripping Supply

Warsaw ZYCIE GOSPODARSTWA in Polish No 5, 30 Jan 83 p 8

[Article by M.): "Wages Again Outstrip Supply" under the rubric "From the Materials of the GUS (Main Office of Statistics)": passages enclosed in slantlines printed in boldface in the original source.]

[Text] In December 1982 the average monthly wage, including compensation payments for workers in the four principal sectors of the material sphere (industry, construction, transport and communications, and trade), was 15,426 zlotys, or 5,701 zlotys, i.e. 58.6 percent higher than the average wage paid in December 1981. In socialized industry average wages rose to the level of 16,961 zlotys or 66.4 percent higher. The analogous indicator in November 1982 was 66.5 percent; in October, 56.5 percent; and in September, 47.4 percent.

The ratio of average wages to the rise in living costs in December 1982 was, for the wages paid in socialized industry, only about 15 percent lower than in December 1981 (own estimate), while for the previous months--starting with February and ending with October of last year--this indicator had ranged from -20 to -30 percent (in February and in the period from April to August last year it was at the level of about -30 percent)/.

In addition to industry, a relatively rapid rise in wages could be observed in construction, where the average wage in December of last year was 14,865 zlotys and had been 73.8 percent higher than in December 1981 (the analogous indicator for November 1981 was 52.3 percent). In transport the average nominal wage in December 1982 was 13,797 zlotys or 39.5 percent higher than in December 1981; in communications, 11,749 zlotys or 28.8 percent higher; and in trade, 11,702 zlotys or 11.2 percent higher.

Increases in wages for the other sectors of the national economy, including the sectors of the non-material sphere, also varied considerably. However, pertinent specific data will be available only after some delay.

In other sectors of industry, too, the rise in nominal wages toward the end of last year was fairly non-uniform. In the extractive industry average nominal wage reached the level of 24,111 zlotys monthly and was 101 higher than in December 1981. It has thus reached in real-wage terms a level somewhat higher than in December 1981. The rise in living costs per worker family in November 1982, for which figures are not yet ready--is estimated at about 40 percent. The average monthly wage in December 1982 was 26,431 zlotys--a nominal increase of 12.2 percent, or a real increase of 3.4 percent, compared with December 1981.

The average monthly nominal wage in December 1982 was 14,510 zlotys or 10.2 percent higher than in December 1981, which meant a decrease of about 14 per-

cept in real-wage terms. The wage-rise indicators in December 1992 compared with December 1991 varied for nearly every subsector of industry. The present year below is compared with indicators of rise in average real wages for the entire 1992 in relation to 1991, which characterizes the differential in the degree of increase in nominal wages within discrete industrial subsectors for socialized industry toward the end of last year.

In the coal industry the rise in nominal wages by the aforementioned 102.4 percent in December 1992 was accompanied by a wage rise of 72.2 percent for the year as a whole; in the fuel industry the analogous indicators were 54.2 and 40.2 percent; in the power industry, 34.2 and 42.1 percent; in the iron and steel industry, 56.4 and 44.4 percent; in the nonferrous metals industry, 69.5 and 34.5 percent; in the metalworking industry, 51.7 and 42.2 percent; in the machinery industry, 63.2 and 51.3 percent; in the precision instruments industry, 29.3 and 49.1 percent; in the transport machinery industry, 51.4 and 45.2 percent; in the electrotechnical and electronics industries, 26.0 and 34.2 percent; in the chemical industry, 42.2 and 45.2 percent; in the building materials industry, 51.5 and 42.1 percent; in the glassmaking industry, 42.2 and 42.2 percent; in the whiteware industry, 55.2 and 42.2 percent; in the woodworking industry, 56.2 and 42.2 percent; in the papermaking industry, 41.1 and 41.7 percent; in the textile industry, 59.3 and 52.5 percent; in the garment industry, 55.2 and 42.2 percent; in the leather goods industry, 55.2 and 42.2 percent; in the toy industry, 55.2 and 42.2 percent; in small-scale industry,

along with the wage increases last December total wages paid that month amounted to 117.5 billion zlotys compared with 112 billion in November, so that as a result the monetary income of the population for the year 1992 as a whole reached the level of more than 2.2 trillion zlotys. Yet as late as last November the wage bill for 1992 had been raised on the assumption that that total wage bill would reach not more than 2.24 trillion zlotys last year.

The population has been using its increased monetary incomes on a fairly regular basis. Personal income increased 24.2 billion zlotys in last December, while last November it had increased 21.3 billion zlotys, which was another adverse factor in the current year's position. The work on the 1992 was based on the assumption that personal spending on goods in 1992 would be 2.46 trillion zlotys, whereas in reality it reached 2.57 trillion zlotys.

There was a net trade balance in favor of exports in real terms. The value of exports in the foreign trade in 1992 was 2.46 trillion zlotys in 1992 and 2.46 trillion zlotys in 1991, which is total foreign trade in goods and services. The value of imports in 1992 was 2.46 trillion zlotys and 2.46 trillion zlotys in 1991, which is total foreign trade in goods and services. The value of exports in 1992 was 2.46 trillion zlotys and 2.46 trillion zlotys in 1991, which is total foreign trade in goods and services.

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Doubling of Prices

Source: "The Polish Vo 1, 1944, pp 2,3

Article No. 41: "Squaring the Prices" under the rubric "From the Materials of the U.S. War Office of Statistics."

Text - As analyzed by the GUS, the prices of consumer goods and services have, following their drastic jump in the first quarter of 1982, risen less significantly in the following three quarters of the year. It is estimated that the price increases have been even progressing at a somewhat slower rate compared with the last three quarters of 1981.

But these estimates evoke various reservations. The main reservation is that the restricted prices concern goods that often are extremely difficult to obtain. The lack of continuity in supplies for stores and the hoarding of many goods means that the prices of many of them are often largely fictitious. In such cases, market-clearing prices are more reliable for purposes of comparison.

A separate price for the comparison of the prices of state-controlled goods
for example, in the case of the market for alcoholic beverages, sometimes
as many as three different types of prices apply: ration-card, commercial and
black-market.

These prices existed both in 1982 and in 1981, on varying in intensity during separate intervals of time in the course of both years and on different goods markets. Allowing for all these reservations, the rate and variation in the increase in consumer prices is worth analyzing. Below we present for this purpose the statistical materials in the prices of staple goods and services in Yom-Tov and during the first 11 months of 1982 compared with like periods in 1981. The year-end statistics for December 1982 and for the entire year 1982 will be ready in early 1983.

For example, in 1941, compared with November 1940, the slowest increase in prices, 1.3 percent, was recorded for milled grain and macaroni products as well as for many kinds of sugar. In this last case the prices increased 16.7 percent. The average prices of 1940 as a whole, compared with a like period in 1939, for milled grain and macaroni products were 103.5 percent higher, for sugar 80.2 percent higher. The average prices for potatoes and vegetables last November were 100.0 percent higher, but even dropped 1.0 percent. The average prices for all commodities in November 1940, compared with November 1941, were 100.0 percent higher, but for the 12 months as a whole, 1.3 percent higher.

[illegible]

In the average, food costs rose 119.4 percent in November 1992 compared with November 1991, and 141.2 percent during the period from January to November 1992 compared with a like period in 1991. The largest difference in food prices between 1992 and 1991 was recorded during the second and third quarters, when it averaged 130 percent.

Alcoholic beverages last November were 109.2 percent dearer than in November 1991. Their prices increased to a similar level during the first half of 1992 (109 percent) and for the entire period from January to November (106.5 percent). Thus, the prices of these beverages rose in 1992, just as they did throughout 1991.

Within the group of manufactured consumer goods only the prices of tobacco products did not rise substantially in November 1992 compared with November 1991. This is because the prices of these products increased in September 1991; on the other hand, compared with August 1991, these prices were nearly double in November 1991.

The least price increases, relatively speaking, were reported for medical-pharmaceutical goods in November and during the first 11 months of 1992 as a whole, compared with like periods in 1991: in the first case they rose 14.1 percent and in the second 12.1 percent.

The following manufactured consumer goods rose in price 70 to 100 percent in November 1992 compared with November 1991: musical instruments, 91.7 percent, and during the first 11 months as a whole, 72.2 percent; publications, 71.6 and 47.2 percent; clothing, 75.7 and 67.2 percent; precision mechanical and optical instruments, 91 and 73.2 percent; footwear, 89.2 and 73.2 percent; textiles, 87.7 and 67.7 percent; jewelry, goldsmith items and watches, 88 and 75.0 percent; cosmetics and toiletries, 86.2 and 61.0 percent; and means of transportation, 88.0 and 66.6 percent.

The following manufactured consumer goods rose in price more than 100 percent in November 1992 compared with November 1991: toys and party games, 111 percent, and during the first 11 months as a whole, 101.4 percent; furniture (for access-ories), 110.7 and 101.7 percent; sports and outdoor games, 107.1 and 107.1 percent; tools, equipment for lighting, and films and film parts for the production of cinematograph, 106.1 and 97.2 percent; electronic consumer goods, 107.2 and 107.2 percent; games and puzzles, 164.2 and 147.2 percent; writing and drawing instruments and accessories, 149.6 and 141.1 percent; and the remainder, 136.2 and 136.2 percent.

The average manufactured consumer goods rose 87.4 percent in November 1992 compared with November 1991 and 84.2 percent during the first 11 months of 1992 compared with a like period in 1991.

The average price of all manufactured consumer goods rose 87.4 percent in November 1992 compared with November 1991 and 84.2 percent during the first 11 months of 1992 compared with a like period in 1991. The average price of all manufactured consumer goods rose 87.4 percent in November 1992 compared with November 1991 and 84.2 percent during the first 11 months of 1992 compared with a like period in 1991.

In the whole, goods and services climbed 46.3 percent in November 1992 compared with November 1991 and 112.3 percent during the first 11 months of 1992 compared with a like period in 1991.

January 1981 0022-0248/81/0005-0000\$01.50/0 Polish No 5, 30 Jan 81 p 2

Regular survey of "black market" prices at the end of 1982 indicate that, in general, these prices remain at an extremely high level while the prices of domestic consumer goods continue to increase. A rise in black-market prices has also been observed.

On the other hand, hams, their black market prices dropped relatively the least and were more or less stable. The price of 1 kilogram of ham had even dropped from 320 zlotys in September of last year to 320 zlotys in November. Beef prices also dropped. The kilogram of beef had cost 240 zlotys in March of last year, 220 zlotys in May, 210 zlotys in September and, on the average, 200 zlotys in November. On the other hand, the price of 1 kilogram of salt pork in November of last year was at the level of 110 zlotys or 10 zlotys more than in September when it cost 100 zlotys.

[illegible]

Natural coffee and cigarettes continued to be sold in large quantities on the black market. The average black market price of 100 grams of coffee was 107 zlotys or 12 zlotys less than the price recorded for September 1942. This was mainly due to the decrease in the market supply of coffee by agents' stores. The ratio of black market prices of coffee to its retail prices continued to be high, amounting to 262 percent.

The black market prices of cigarettes remain basically stable and extremely high. On the average they are higher by a factor of 2.5 to 3 than the average retail prices, as most often recorded for the "Extra model" and "Popularne" cigarette brands. The pack of cigarettes cost on the average 45 zlotys in May of last year, 40 zlotys in September, and 43 zlotys in November compared with the average retail price of 14 zlotys per pack.

Prices of chocolate and chocolate products have risen. In September of last year the black market price of 100 g of chocolate was about 310 zlotys and in November 320 zlotys. The highest prices for this item were recorded in the Lublin District Province and the lowest in the Nowy Sad Province. The prices of cocoa also rose, from about 127 zlotys per pack in September of last year to 130 zlotys in November. The retail price of this item was 49 zlotys or less than one-third as low as the black market price.

The black market price for sugar is not decreasing, and the prices of goods item remain extremely high. The black market price of sugar in all retail transactions was 140 zlotys in September and on the average 138 zlotys in November.

The high price levels are reserved on the black market for manufacturers' consumer goods. The black market prices of shoes and children's footwear have risen the most. In September of last year the average black market price of a pair of shoes was 2100 zlotys, retail price about 1000 zlotys. In November it was 2400 zlotys. The average prices for children's footwear were 1000 zlotys on the black market in the Lublin Province; the retail price of such footwear was 400 zlotys.

The average price of a pair of shoes cost on the average 700 zlotys on the black market in September of last year, compared with the average retail price of 300 zlotys. The average price of a pair of shoes in November was 750 zlotys. The average price of a pair of shoes in the Lublin Province was 1000 zlotys. The average price of a pair of shoes in the Lublin Province was 1000 zlotys.

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The black market in ladies' hostery also is not declining. Its prices are high, greater by a factor of nearly 2.5 than its retail prices. One pair of ladies' hostery cost 246 zlotys on the black market in September of last year (compared with the average retail price of 96 zlotys per pair) and 256 zlotys in November.

1386

CSO: 2600/337

CONTINUING HOUSING CRISIS ASSESSED

Warsaw ZYKIE GOSPODARSTWA 19 Polisa No 4, 23 Jan 83, p 2

[Artic. by Teresa Gornicka: "The Housing Crisis Continues"]

[Text] The year 1982 was the fourth year in a row in which deliberate tendencies in housing construction were maintained. Indeed, today there still is no complete picture of last year's situation, for the number of dwellings put to use in single-family construction will only be known in central areas; but, as the initial estimates indicate, one should not expect any significant realizations, either.

As for socialized construction, as the data from the Central office of statistics show, 19,000 fewer dwellings were put to use in 1982 than in 1981. Instead of 147,000—that was the minimum level—socialized enterprises transferred for use 129,000 dwellings.

But influence these statistics have on the deterioration of the very dramatic housing situation is not even worth writing about anymore. Whatever one has had available so far today is unaware of the actual importance of housing. It is still not said if the dwellings necessary are built, and the number of people with each passing year, it becomes pure narcissism to describe the situation.

[Text] The picture of 1982—polished in the official publication, but it is clear that only the better results that could have been anticipated. The worst, as it might have been, even worse. What saved the situation was the fourth quarter of 1982, when with only 75,000 dwellings, that is, 41.5 per cent of the total plan's target, were put to use, but it is because all investors received 100,000 completed dwellings. And it is worth giving some thought to this situation. For it is clear that the previous three quarters were the worst—at the end of the year when that something was finally achieved virtually. After that, can this really be a reflection of the degree of the crisis?

[Text] In many cases, however, a special, was an effective "Dzień dobry" (Good morning) to the residents. The number of dwellings put to use in 1982 was 147,000, which is 100 per cent of the plan's target. The number of dwellings put to use in 1982 was 147,000, which is 100 per cent of the plan's target. The number of dwellings put to use in 1982 was 147,000, which is 100 per cent of the plan's target.

At the press conference in the Ministry of Construction and Construction Materials Industry [MBIPMB] devoted to a discussion of the results of last year's plan, it was stated authoritatively that there can no longer be any talk at present of any statistical manipulations. Where the high results of the fourth quarter could suggest doubts, checks were made which did not reveal cases in which uncompleted dwellings were included in the plan. There are even signals--but it was the journalists who talked about these--that completed buildings are being held aside which the builders want to turn over to investors only in 1983, to avoid the effects of excessive profits. If these reports are to be believed, one would have to lay the blame here not on the enterprises themselves but rather on the mechanisms of building reform. But that is another matter.

In the opinion of the MBIPMB, the building acceleration in the fourth quarter of 1982 became possible thanks to marked improvement in the field of supply of building enterprises with materials. Due to very bad results from the first half of the year, at midyear a control system was resolved upon for supplying housing construction, and it was decided to abandon the centralized system of purchasing materials from direct producers assumed in the reform. These decisions were accompanied by decisions made centrally by the Economic Committee of the Council of Ministers assisting production starts in industrial establishments working for the benefit of housing construction. Among other things, at midyear industry received toward this end \$12 million credit for the purchase of raw materials and components conditioning the production of materials in shortest supply. And since the weather also helped the builders, as late as December, for example, it was possible to put to good use additional deliveries of cables, which--as we know--should not be laid at low temperatures.

Can we base our hopes for stemming the housing regression on the normalization of supply that was taking shape at the end of 1982?

Let ourselves right now that supply is a very essential condition for stemming the construction impasse, but in the present situation it is not the main condition. Increasing the supply of materials certainly conditions to a considerable degree the reality of near doubling the number of dwellings according to the plan in comparison with last year, dwellings which are supposed to be turned over in individual construction. But the situation in socialized construction is even more complicated this year than last year, and the scope of the planned determining falling tendencies in this construction has not been determined.

In the Central Annual Plan for 1983, it assumed that 115,000 dwellings, that is, 10,000 less than last year, will be transferred for use in socialized construction. This planned regression of socialized construction is to be compensated by turning 20,000 dwellings into use in individual construction, that is, an amount more than last year. If we look at these changes in the scope of the plan from the social standpoint of people waiting for housing, they do not signify anything but a further prolongation of the waiting time. But let us assume, in accordance with the repeatedly repeated slogan, that the plan defines only minimum tasks in housing

construction and, to the extent allowed by possibilities as they arise, will endeavor to exceed these minimums. Unfortunately, hopes that such possibilities will arise in socialized construction are small. This is due, among other things, to the advanced production of structures which are to be put into use this year.

In 1982 the enterprises delivering 129,000 dwellings for use began work on structures containing a total of 64,500 dwellings. To put it another way, construction during the course of the past year consumed the achievements of the preceding years to a significant extent. We have such a marked breakdown of the production cycle in construction on our hands for the first time in many years. The builders have had various difficulties and obstacles to contend with, but they have coped quite well with the assembly of raw-materials components.

The new level of advancement of the 1983 production plan has manifold consequences. Even if we disregard such obvious effects as the subsequent drop in the use of the entire prefabrication base and the assembly potential, decreases in reserves of so-called raw-materials components determine the continuation of declining tendencies in housing construction for the longer term. Of course, buildings can be constructed in a one-year cycle, but that is only a theoretical assumption. After all, it is difficult to imagine construction functioning when its production potential becomes involved in the assembly of structures in the first half of the year, then is shifted to detailing work in the second half.

In the opinion of the MBIPMB, the main reason for the breakdown of assembly work was the inadequate supply of steel, which is indispensable for production of prefabricated products. But that is probably a grossly simplified truth.

A great deal was happening in construction. It survived difficult times despite real threats of bankruptcy. The system of supplying construction with materials broke down in the first half of the year, which brought a sharp drop in work efficiency. Modifications in the wage system proved out to be improper. As a result, everything together led to the deterioration of wage conditions.

The effects of this disordering of construction were seen as early as the first quarter of the year in the form of the sudden departure of people; unfortunately, they were leaving building sites. During the course of last year, employment in construction decreased by 62,000 people in the group directly involved in production. These decreases had the greatest effect in general construction enterprises operating in localities of large agglomerations. In Katowice, for example, of 45,000 people employed directly at construction sites, nearly 20,000 people quit their work. In Warsaw, employment in the production group decreased by 11,000 people.

As it was, this situation shook not the best employment structure in construction. Until the 1970's, the share of workers in the direct production group in construction employment in this division of the economy fluctuated around an index of 54. In 1982 this share fell to 43. Thus, the share of workers in construction is 10,000

people short, while at the same time construction has a 100,000-person surplus in employment.

Specific consequences for the building enterprises follow from these general ratios. Difficulties in acquiring hands for work cannot encourage these enterprises to expand production. All the more in that in the present economic system, with the existing principles of price shaping, they are in a position to assure their own existence with a significantly smaller production program than in past years. They have rid themselves of the compulsion to expand their undertakings, which has caused them to broaden the scope of assembly work as the most effective work of the enterprise. The increase in production also does not compel them to amass their production assets, since building enterprises are exempt in principle from the effects of not utilizing production assets.

Let us not forget probably the most important element inducing the builders to restrict the production programs themselves. Today no one can press an enterprise on the strength of an unprepared investment. The enterprises evade such orders more or less efficiently. And as we know about prepared investments in housing construction, they are increasingly more difficult, especially in localities of large agglomerations. Whatever one says about the very partial inculcation into construction of the mechanisms of reform, costs in construction are beginning to be figured. If last year a marked improvement took place in the implementation of so-called accompanying investments and thus, in the construction of schools, nurseries, preschools, and also hospitals, it was due to the fact that, among other things, there were more attractive investments for builders than housing built in unprepared localities. And if it were not a matter of housing, we could even say that every cloud has a silver lining.

But the builders are not having success avoiding this communal barrier. In the plan for 1983, outlays for basic communal equipment such as drain cleaners, water dams, and an arterial network are increasing in particular volvodships by 40 to 80 percent. In the governors' estimation, these continue to be inadequate means for preparing for the expanded housing construction programs after 1985. Today one can even find the view that it would be necessary within the framework of a so-called housing plan complex to carry out the transfer of outlays to these goals, even if it is done at the cost of downgrading the housing construction plan itself.

But such a view--although it has its rational aspects--seems unacceptable to say, among other reasons on account of the risk contained in such a concept. We know from the experiences to date that not only the size of outlays had an influence on the accruing of arrears in the communal infrastructure. For these modest outlays were permanently unused. Even in the heyday of dictated methods for the division of labor, there was a failure to assure the builders' potential for these investments.

Therefore, the fears that there will be additional great difficulties in the present circumstances are well-founded. For the time being in the sphere of loose conceptions there remain various intentions to create mechanisms

directing the interest of the enterprises to the most important investments of the plan. The system of controlling material supply itself cannot fill the role of such a mechanism. Therefore, there is no certainty that communal investments this year are gaining the desired preferences in the implementation process. And barring such modest investments in housing construction, the decline in this construction can be further intensified, with nothing being gained for prospects for increasing construction in subsequent years.

Of course, arguments of a social nature have decisive importance here. Curtailing the housing program for 1983 would mean further prolonging the waiting time for housing, and that is no longer acceptable to anyone.

8729

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REAL PERSONAL INCOMES CONTINUE TO DROP IN SLOVENIA

Ljubljana DELO in Slovene 18 Feb 83 p 1

[Article by Ilja Popit: "The Third Year of Recession"]

[Excerpts] Ljubljana, 17 February--Today the Slovenian Institute for Statistics announced that last year's average monthly net personal incomes were 26 percent higher than they were in 1981. That is, they amounted to 14,365 dinars. But, they were overtaken by the increase in prices and the increase in the cost of living, and so, last year, in reality, personal incomes in our republic were 3.2 percent lower than they were 2 years ago.

Last year, the average monthly personal income of workers in the economic production sector amounted to 14,040 dinars, some 25.9 percent higher, while in the non-economic sphere, it amounted to 16,107 dinars and it was 26.2 percent higher.

As a result, last year was the third consecutive year that real personal incomes have decreased. The dynamics of the real personal incomes in Slovenia during the past 4 years, in percentages, is presented in the following table:

<u>Year</u>	<u>Increase or Reduction in Real Personal Incomes in Percentages</u>
1979	+1
1980	-8.6
1981	-8.8
1982	-3.2

Thus, this table shows that in the last three years, the real personal income in Slovenia was reduced by more than one-fifth, namely, by 20.6 percent.

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